

**Displacement, Politics, and Governance:
Access to Low-Income Housing in a Beirut Suburb**

By

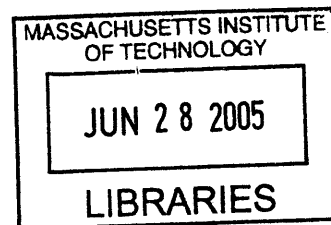
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Bachelor in Architecture
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Submitted to the Department of Urban Studies and Planning in
partial fulfillment of the requirements for the degree of

Master in City Planning
at the
Massachusetts Institute of Technology

June 2005



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Abstract:

Lebanon witnessed large-scale phases of internal displacement during and after its civil war (1975-1990). This study analyzes access to low-income housing for a Lebanese Shiites group which has already experienced two phases of internal displacement: from South Lebanon to Beirut during the civil war, and from Beirut to the suburbs after postwar reconstruction started in 1992.

This research is a case study of Sahra Choueifat, one of Beirut's southern suburbs. It presents a comprehensive analysis of the factors that have affected the displacement and relocation processes in the second phase of displacement. The study focuses on three main issues: (i) the post-war monetary compensation to war-displaced squatters; (ii) the intervention of Shiite political parties in the housing market, and (iii) the conflict over territory in Sahra Choueifat between the incoming Shiite group and the original Druze residents.

The study presents three main findings: First, the post-war monetary compensation that the evicted war-displaced squatters received was adequate to allow them to acquire legal housing in Beirut; yet the uncertainty that characterized its implementation led the families to tie-up their capital in vacant apartments before they could move. Second, political parties' intervention in the compensation phase, and in the housing market of Sahra Choueifat, secured better housing quality and tenure rights for the displaced, yet formed religious enclaves within a religiously contentious area. Third, in Sahra Choueifat, groups in opposition are using legal tools, such as zoning, voting, and manipulation of public services to define their space and exclude others. The conflict is causing the displaced families to move yet again in a third phase of displacement, from Sahra Choueifat to more Shiite-dominated suburbs.

Thesis Supervisor: Bishwapriya Sanyal

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Displacement, Politics & Governance

Access to Low-income Housing in a Beirut Suburb



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Chapter I: Introduction:

While Searching for Vacancy I found Displacement

Zeinab is originally from South Lebanon. In 1976, during heavy bombing of her village, she and her family had to flee their house to a neighboring village, after which they temporarily sought refuge in the abandoned apartments in Hayy Madi, in Beirut. 28 years later, Zeinab and her family remained in the same ground floor apartment in one of Hayy Madi's two-storey buildings. In August 2004, families in the neighborhood, including Zeinab's, received eviction notices. After that, Zeinab's family moved to Sahra Choueifat, where three years before that, her son had bought two apartments in one the housing complexes. The family had left the two apartments vacant, and relocated there only after they were finally evicted.



Fig. 1-1: Location of Sahra Choueifat with respect to (a) Lebanon, and (b) Beirut Central District. (Base maps modified from www.cnn.com and www.patron.co.il).

In August 2004, I met Zeinab.

The story of Zeinab is a typical story of many residents who currently live in Sahra Choueifat, a low-income legally inhabited area in the town of Choueifat, 13 km southeast of Beirut, Lebanon (Fig. 1-1).

My interest in studying Sahra Choueifat started by an endeavor to explain the large number of vacant residential apartments I saw towering the landscape between 1994 and 1998.

Beginning in 1992, large-scale low-cost residential complexes mushroomed in the area of Sahra Choueifat, an area that was known to be for its agricultural and industrial uses. As I passed by the area everyday, I wondered why this large volume of low-cost apartments remained unsold or uninhabited. The observation lead me to ask a number of questions: Who owned these spaces? Who financed them? Why were they vacant?

I wanted to understand the causes behind the apparent high vacancy rates for two reasons: First, the post-civil war growth period (1992-1996) witnessed an unprecedented construction boom with new residential buildings everywhere, encroaching on any open green or agricultural land in Beirut and its suburbs. If that stock was not needed, and would remain vacant, then the housing and urban planning policies should discourage its production, leaving green areas in the city. Secondly, and more importantly, is the fact that Lebanon, especially Beirut, was continuously reported to have had a shortage of low-income housing even before the civil war (1975-1990). In 1958, Doxiadis, a prominent designer and planner, reported a shortage of 40,000 units (Sarkis 2003). During the civil war, it is estimated that about 170,000 units were destroyed, 53 % of which were in Beirut and its suburbs (World Bank, 1991)¹. Moreover, several reports indicated that post-war Beirut (1992-) witnessed a construction boom of high-end residential buildings, while the need for middle and low-income housing, exacerbated by the demand of the war-displaced families for housing, was ignored. Therefore, high vacancy rates in affordable housing, such as the housing in Sahra Choueifat, were unexpected. As a result, explaining this ‘apparent’ vacancy rate seemed critical to formulating policies to address the obstacles that face low-income families in accessing legal housing in Beirut. My intuition was further reinforced when I found out that in 1996, Sahra Choueifat was in a district that had a 46% residential vacancy rate (Administration Centrale de la Statistique, 1997).

My initial hypothesis was that the high vacancy rates in Sahra Choueifat were the result of the developers’ speculation on the demand for low-income housing instigated by Beirut’s post-war urban regeneration projects, specifically, the Elyssar project. A large-scale urban redevelopment project proposed in 1992, Elyssar was conceived to organize the southwestern suburbs of Beirut. The project proposed to evict 500,000² residents living in the informal settlements of the area.³ Even though Elyssar has not been implemented yet, the project had been initiated and postponed several times, signaling each time to the market an approaching increase in demand for affordable housing by the evicted settlers. Therefore, it was probable to link the vacant apartments in the adjacent area of Sahra Choueifat to the evictions of Elyssar.

As I started doing fieldwork in 2004, I realized however that the apartments were no longer vacant. At that time, I was risking a simple answer to my thesis; the imbalances in the

¹ Quoted in Ministry of Social Affairs, Mapping of Living conditions in Lebanon, 1998.

² There are no accurate statistics about the number of informal settlers living within the Elyssar project site.

³ Some of the families would be housed in the project itself, others will have to search for shelter.

vacancies that I observed between 1994 and 1998 were only temporary housing market stagnation. This was a possible answer since, in 1996, Lebanon witnessed a crisis in the construction sector. Yet, I decided to investigate the case further.

As part of my research, I asked the residents questions such as when did they buy their apartments? Why in this area? Where did they come from? Who did they buy the apartments from? How did they hear about the complexes? How did they pay for it? I also interviewed Choueifat municipality officials, developers, and urban planners who worked on the area. I found that the residents were actually evicted, but not from the southern suburb's informal settlements as I had suspected. Instead I found that the residents of Sahra Choueifat were war-displaced persons who had settled in the war-scarred areas of Beirut city center during the war, and who were recently evicted by the Ministry of Displaced as part of the national program of 'return'⁴ initiated after the end of civil war in 1992. I also found out that the observed vacancy represented that phase in the displacement between which residents waited to receive their compensation and the time they moved to their new apartments.

Questions that I designed to explain vacancy rates in the neighborhood unraveled instead stories of war and post-war reconstruction displacement. They also revealed a complex process of negotiation, access to information, political party interventions, religious conflicts and power struggles. Issues such as the civil war (1975-1990), foreign occupation (1976-2000), post-war reconstruction of Beirut (1992-), public eviction and compensation policies, conflict over territory among religious factions, political parties' interventions in the housing market, and the role of local governments in conflict areas are among many factors that affected low-income access to housing in Sahra Choueifat, and are also contributors to the current problems the residents are facing. This group of residents, who are Lebanese Shiites from the South, have been already displaced at least twice: (I) from South Lebanon to Beirut Central District during the civil war 1975-1990, and (II) from BCD to Beirut's suburbs due to postwar reconstruction 1992-2004. The current problems the residents are facing are prompting many to sell their apartments and leave, causing a new third phase of displacement in which the people are moving to more religiously-homogenous southern suburbs.

This thesis focuses on the dynamics of the housing market of Sahra Choueifat. The time frame of the study is bounded by the second phase of displacement -when the people received

⁴ The 'return' programs aim to help the people return to the areas from which they were originally displaced.

compensation, evacuated their war-scarred shelters, and relocated to Sahra Choueifat, and the current third phase of displacement caused by conflict of territory between the incoming population and the original residents of the areas. The study investigates the complex processes through which the displaced people were able to gain access to new housing: the role of the monetary compensation, the role of the political parties, and the relationship between the different stakeholders. It examines the spatial conflict over territory, and the tools used in this conflict contributing to the social exclusion and the displacement of the incoming population.

This thesis is based on a total of 62 interviews, 33 of which are with residents in Sahra Choueifat. The other interviews are with families who are currently being evicted from other war-scarred areas in Beirut⁵, with officials from the Municipality of Choueifat and the Ministry for the Displaced, as well as urban planners and developers who worked on the area. Three-fifths of the residents I interviewed in Sahra Choueifat reported that they were displaced by war, rent control, and/or post war infrastructure projects. I also rely upon aerial photographs, maps, newspaper articles, and news clips to support my arguments.

Chapter II of this thesis briefly traces the background in time and space of the two first phases of displacement and the way families accessed housing at each stage. It briefly describes the urban development of Sahra Choueifat—its transformation from an olive grove to a residential Shiite neighborhood. Chapter III will focus on understanding monetary compensation as a tool that enabled the war-displaced squatters to acquire legal housing in Sahra Choueifat after their second phase of eviction. Chapter IV will focus on the political parties' intervention in the housing market of Sahra Choueifat. Chapter V will present the conflict over territory between the incoming Shiites and the original Druze residents, manifested in manipulation of zoning laws, voting rights and service provision, and the third phase of displacement some of the residents are currently facing. In Chapter VI, I will draw conclusions and suggest recommendations for conflict areas in general, and for Beirut in specific by focusing on policies to enhance the low-income access to affordable housing, and improve the process of local level coexistence in postwar Lebanon.

⁵ The information was mainly collected from Hayy Madi, Sfeir, and Chiyyah, three neighborhoods along the demarcation line

I.1 Methodology

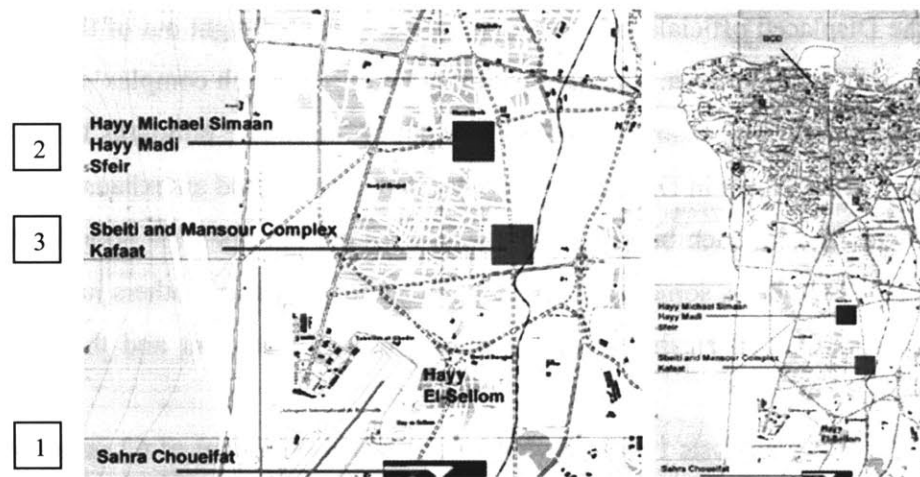


Fig 1-2: The location of the three case studies

The information for this research project was collected from three localities: [1] the Sahra Choueifat⁶ area, the main case study located in Choueifat, one of the southern-eastern suburbs of Beirut, Lebanon, This case study is supplemented with information collected from interviews with families in: [2] Hayy Madi/Hayy Michael Semaan/ Sfeir, three war-scarred neighborhoods located on the war demarcation line, where families are still living in their war-scarred shelters; and [3] a residential complex located in Kafaat, another south-eastern Beirut suburb, to where war-displaced people relocated as well. All three areas are inhabited by high percentage of Shiites who were originally displaced from the South (Fig. 1-2). Through out the research, I will use pseudonyms or letters to refer to the people I interviewed, and housing complexes I visited, rather than using actual names in order to protect their privacy.

The information was collected in two phases:

Phase 1: In August 2004, I started collecting information, visiting Sahra Choueifat repeatedly. During this initial phase, I talked with 14 residents, three developers, two municipal officials, and one planner to identify issues and stakeholders. I also visited Hayy Madi, one of the war-scarred neighborhoods, to further understand the process in which people are evicted and compensated, and how they consequently find an alternative shelter in Beirut.

⁶ Sahra Choueifat is not a unique case study of religious conflict over territory in Beirut's suburbs. Chiyyah, Kfarchima, Kafaat, Yahoudiyyah, and Aramoun, are potential studies for further research on the subject.

Phase 2: From December 2004-January 2005, I collected data more systematically from several key actors in Sahra Choueifat: the residents, the Choueifat municipality, the Ministry for the Displaced officials, and two developers. I visited eight out of the fourteen complexes in the Sahra Choueifat area. I randomly chose one-third of each complex's buildings, to interview their inhabitants. For example, I chose four out of the twelve buildings in AA Complex, and two out of five buildings in DB complex. After that, I conducted an exhaustive door to door process for every floor of each building. Many families did not open the door for me. Among those who opened the door, some families did not want to participate; others just answered selected general questions (such as the year they moved to the apartment and the amount they paid for the apartment).

The analysis I will provide here is based on a total of 62 interviews: 48 interviews with residents in Sahra Choueifat (ten of which are detailed); nine interviews in Hayy Madi/ Hayy Semaan/ Sfeir, four Interviews in S&M complex in Kafaat; four interviews with former and current officials in the Municipality of Choueifat; five residents of Choueifat; four developers in Sahra Choueifat; and three officials in the Ministry of the Displaced. The length of interviews ranged from five minutes to two hours. About three-fifths of the residents I interviewed in Sahra Choueifat reported that they were displaced by war, rent control, and/or post war projects.

The subject of the research which tackles issues of war-displacement stories, political affiliation of families, amount of post-war compensation, and intra-religious conflicts are extremely sensitive in Lebanon in general, especially among this research's target population, who have been criticized for the compensation they received through political backing. As a result, it was very difficult to collect data since people were reluctant to participate, accentuated by the fact that I am not part of the community. On my part, it was difficult for me to go alone to the three sites due to safety issues. My data collection process was halted several times by the political parties, who did not want me to collect information on the subject.

As a result of the field work condition described above, the sample was not chosen through a random sampling process, a fact that could have biased the results. For example, the people who opened the door and talked to me may be systematically different from those who did not open the door. I found that all the families who had extensive religious slogans and figures on their door consistently chose not to participate. Thus it is likely that the selection bias

in my sample is in the direction of under-estimating the role of the parties since those with the strongest affiliations were the ones who refused to talk to me.

The research did not attempt to balance the sample according to the residents' political affiliation. Most residents there belonged to two major Shiite political parties. However, due to the time constraint, the research focused only on one of these two active local religious parties. The difference in the political affiliation among residents themselves, if pursued, may uncover interesting facts about the different strategies that political parties pursue in helping their supporters to access housing.

Lebanon did not have a census data collection since 1932. Therefore, information about population, income, education of the study group is not accessible. Two attempts were made at collecting statistical data in 1996 and 1998⁷ for a sample of the population, which I used to calculate the vacancy rate. A few official institutions, such as the Ministry of the Displaced and the political parties -in this case, collected some statistics on the war-displaced population who settled in Beirut's war scarred areas, regarding their villages of origin and the amounts of money they received in compensation. However, I was not able to access this classified information. Therefore, most information for this study was collected from interviews with the different stakeholders.

In addition to interviews, my work is also grounded in previous research on Beirut and Lebanese context including the housing market, the southern suburbs informal settlements, political parties, and displaced population in Lebanon. In addition, I have used excerpts from newspaper articles collected from the an-Nahar newspaper archives.

In analyzing the Sahra Choueifat case study, I use, in addition to the above material, aerial photographs from 1985, 1994, and 2004, and different zoning maps from years 1970, 1996, 2000, and 2004. I collected the photographs and zoning maps from the Directorate General of Urbanism (DGU) and from the design and planning department in the Municipality of Choueifat. I also use still pictures from a news clip prepared by Al-Manar TV station in Winter 2003, depicting the flooding situation of the complexes.

⁷ This publication was a statistical analysis of the 1996 survey, the data I used to calculate the vacancy rate.

Chapter II: From the South to the City Center to a Suburb: A Background

This chapter provides the background for understanding the conditions through which the Shiite households studied in this thesis were displaced, and the strategies with which they managed to secure shelter in successive phases of displacement. The families were first displaced from South Lebanon to the Beirut Central District and the demarcation line during the civil war (1975-1990) and then, from Beirut to Sahra Choueifat due to postwar reconstruction of Beirut Central District (1994-present) (Fig. 2-1).

The first two sections of the chapter describe the setting in time and space for these two phases of displacement, describing the events in each phase, and focusing on the displaced families' strategies to access housing, and the role of political parties. The third section describes the spatial and geo-political context of Sahra Choueifat, the main case study for this research. The section gives a brief overview of the area's urban development--its transformation from an olive grove cultivated by Druze landowners to a residential neighborhood inhabited by war-displaced Shiites.

This section provides as well the background for understanding the conflict over territory between the incoming Shiites families and the original Druze residents, which is disposing many Shiites families to sell their apartments and leave, initiating a third phase of displacement-- from Sahra Choueifat to more homogenous Shiite areas.



Fig 2-1: Map of Lebanon showing three phases of displacement: 1-South, 2-Beirut Central District, 3-Sahra Choueifat

II.1 The First Phase of Displacement:

From South Lebanon to the Beirut Central District (1975-1990)

Fifteen years of civil and international conflict in Lebanon, between 1975 and 1990, caused the temporary and permanent internal displacement of 810,000 individuals, or 28% of the Lebanese population (UNDP, 1997). Currently, almost 450,000 individuals are still living in displacement (UNDP, 1997). Out of the total displaced population, 200,000 individuals were Shiites who were displaced between 1976 and 1982 from the south of Lebanon due to armed conflict with Israel (IDP Global Report, 2004; Sadek, 1996). Many of the families displaced from the south settled in the city center of the capital Beirut and along the war-demarcation line. This section will provide the background on this initial phase of displacement.

a. The Civil War (1975-1990):

During the Lebanese civil war, the country became segregated into religious enclaves run by rival militias. Beirut was divided into a Muslim West Beirut and a Christian East Beirut. The demarcation line which evolved between the two areas is known as the “green line” (Fig. 2-2). The militias, who took control over Beirut, divided it into homogenous military and religious zones, through mass expulsions of people from the other sects. At the same time, southern and inland Lebanon were troubled by the conflict between the Israeli forces¹ on one side, and the Palestinian refugees² supported by Lebanese Muslim Shiites³ on the other side.



Fig 2-2: The ‘green’ line that divided Beirut. (Map modified from < almashriq.hiof.no>).

b. Displacement: From the South

The first two years of civil war (1975-1976) were concentrated in Beirut. The first large-scale religious-based eviction took place in 1976, when the Christian militias in control of the

¹ In the Christian villages in the South, the Israeli forces were supported by a Lebanese militia Lahad which played an important role in the expulsions and displacement of the Shiites.

² Palestinian refugees were living in camps in South Lebanon.

³ Shiites constitute one of the major two sects of Islam, the others being Sunnis. Druze religion was founded outside of Islam, yet many people consider Druze as Muslims.

eastern suburbs executed what was referred to as “cleansing campaigns” against the slums that developed near the industries in Nabaa’, Qarantina, and Tel Zaa’tar in east Beirut (Fawaz and Peillen, 2003).

These slums were predominantly inhabited by Muslim Shiite families and international refugees. Fearing retaliation of the Muslims sects, many of the Christian families who were still living in West Beirut left their apartments and moved to East Beirut, which became a homogenous Christian zone in the war (Fig 2-3[c]).

The families who were evicted from the eastern suburbs fled to West Beirut. A number of them informally settled on empty land in the southern suburbs of West Beirut. Eventually, a few of these areas developed into squatter settlements, such as the Raml neighborhood (Fawaz, 1998; Hamadeh, 1987) (Fig 2-3[a]). Others squatted in the war-scarred abandoned apartments in Beirut’s city center and along the demarcation line (Fig 2-3[b]). The owners of these apartments were families left West Beirut for safer places.

At the same time, the continuous bombing of south Lebanon, followed by the Israeli invasion of the area in 1978, caused the mass displacement of Palestinians and 200,000 Lebanese Shiite individuals. Families fled to West Beirut for safe shelters. After the “two-year war” (1975-1976), Beirut’s city center was relatively calm, abandoned by its original inhabitants for security purposes, and partially inhabited by families evicted from East Beirut. At that time, the militias⁴ were opening up the abandoned war-scarred apartments to temporarily house the incoming displaced families from the South.

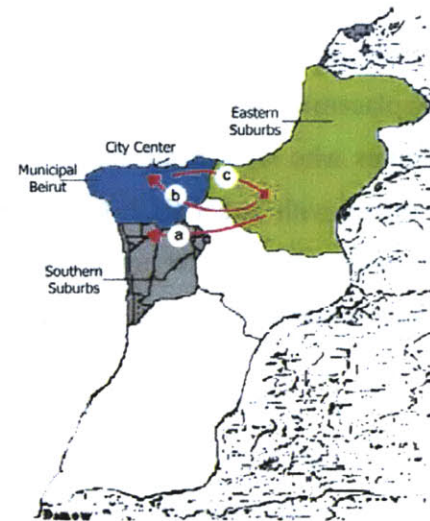


Fig. 2-3: Map of Greater Beirut showing the Beirut Central District, the eastern and the southern suburbs. (Base map modified from Yahya 1994).

⁴ Militias included Lebanese factions such as Haraket Amal and Palestinian factions such as Palestinian Liberation Organization (PLO) and Fateh, and other Lebanese-Palestinian factions such as Al-Jibha Al-Shaa’biyah and Al-Saiqa. At that time, Hizb’Allah did not yet exist. It was still a part of Haraket Amal.

c. Settlement: Beirut Central District and along the Green Line

Most of the low-income Shiite families that fled their villages in the South settled either in the informal settlements in the southern suburbs of Beirut, such as Ouzaii and Raml, or in the abandoned war-scarred apartments in the Beirut Central District and along the green line neighborhoods.⁵ Among Beirut Central District's neighborhood are Wadi Abu Jamil, Qantan, Marfaa, Mina Al-Hosn, Khadak Al-Ghamik, and Marfaa, and along the green line neighborhoods are Hayy Madi, Hayy Michael Semaan, Sfeir, Chiyyah, Haret Hreik (Fig. 2-4)

Families arriving from the south would go to the neighborhoods where they heard of available evacuated apartments, not yet occupied. The information was transferred either through truck drivers that were transporting the displaced families to Beirut, or through relatives who were previously evicted from the eastern suburbs. As Imm Abbas⁶, who is still living in Chiyyah, explained:

The day that a bomb hit our neighbors' house, we escaped to our cousins' in Abbassieyh. We spent three days in their house; 14 people living in crowded conditions. We could not stay there longer. My sister, who was evicted from Nabaa', sent us a message saying that the militais were opening houses here in Chiyyah. We hired a truck and came the next day.

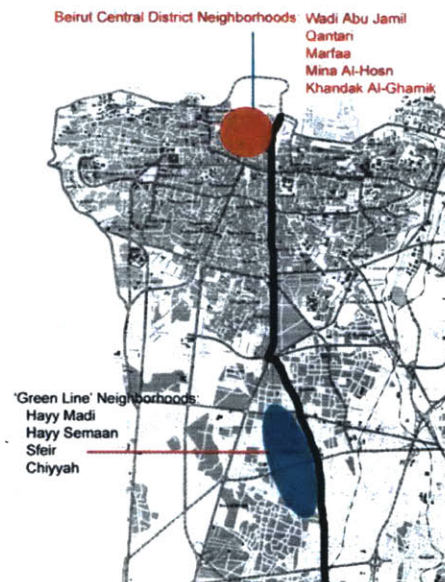


Fig. 2-4: Few of Beirut Central District and the green line neighborhoods (Base map modified from almashriq.hiof.no).

Ayad⁷, on the other hand, whose family did not have relatives in Beirut before the war, described how his family, which was displaced from Bint Jbeil found an apartment in Hayy Madi.

My parents hired a truck. The driver told them that he had heard of unoccupied evacuated apartments in Hayy Madi. We were the first family to squat in Hayy Madi, after which several families from Bint Jbeil followed us. After few months, Hayy Madi was mostly inhabited by families from Bint Jbeil.

⁵ Given that my fieldwork was limited to the people who informally settled in the war-scarred apartment buildings, it was not clear from my interviews why some people chose to settle in the evacuated apartment buildings in Wadi Abu Jamil, Hayy Madi and Chiyyah, while others opted to settle in the informal settlements in the southern suburbs of Beirut.

⁶ Interview with Imm Abbas on January 10, 2005

⁷ Interview with Ayad in Hayy Madi on December 28, 2004.

While many of the buildings that the displaced families squatted in were intact, many other buildings were in bad physical condition, having been shattered earlier by bombs. Yet, families managed to live in them. According to an official at the Ministry for the Displaced, at the peak of mass displacement, 8-10 people were living in one room. Most of the families who ended up staying in these cramped conditions were in the low-income bracket.

Families that departed from the same villages in the South settled in the same neighborhoods in Beirut. As Ayad explained, most of the families from Bint Jbeil settled in Hayy Madi. Another example is 'Hayy Beit Leif' in the city center which was occupied by families who were originally displaced from Beit Leif, a village in South Lebanon⁸ (Yahya, 1992). During my interviews in the S&M complexes in Kafaat, I met Donya, a young woman, who used to live with her parents in Hayy Beit Leif. As Donya was speaking, behind her was a picture of the leader of Haraket Amal.⁹

The picture in Donya's living room indicates that the family is affiliated to Haraket Amal, one of the two main Shiite political parties in Lebanon. It also indicates the source of the political power that helped Donya's family to secure \$30,000 in compensation when evicted from Hayy Beit Leif in 1997. The political parties played such a critical role later on in the compensation and relocation phases that it is important to describe their role in this initial phase of displacement.

d. Political Parties' Role in the First Phase of Displacement

Most families I interviewed attest that the political parties did not play any significant role in organizing their displacement from the southern occupied villages to the city center. Yet when they reached Beirut, political parties were in control¹⁰ of settling the incoming displaced families in the abandoned apartments in Beirut Central District and the green line neighborhoods.

During that time, several Palestinian and Lebanese militias were operating in West Beirut. As soon as the families settled in these neighborhoods, they fell under the command of the political parties and their militias. The political parties had full discretion on the size and

⁸ Both Bint Jbeil and Beit Leif are two villages in the South that remained until April 2000 under the Israeli occupation.

⁹ Interview with Donya in her apartment in S& M complex on December 28, 2004

¹⁰ In the absence of governmental institutions, and aid organizations, political parties were in charge of settlement process.

location of the apartments the displaced families received.¹¹ Moreover, members of the incoming war-displaced families were recruited by the militias. Hajj Ali¹² remembers how when his family settled in Khandak Al-Ghamik, a political party opened an apartment for them to settle in, on the condition they would enroll with its militia, which they did. Consequently, most of the young men became members of the militias, which gave their families and relatives a lot of power and discretion during and after the war phases.

After 1982, Hizb'Allah and Haraket Amal were the main two Shiite political parties in control of the war-displaced Shiites in Beirut. Before 1982, Haraket Amal was the main Lebanese Shiite political party. In 1982, Hizb'Allah was established by a group breaking off from Haraket Amal, and forming itself as a resistance group to the Israeli occupation of the South of Lebanon. This group was supported by Iranian funding (Fawaz, 1998). A number of the families, who were affiliated with Haraket Amal in the southern suburbs, joined Hizb'Allah and fought for the party in the South.

The well-knit affiliations that developed between the families and the political parties in control of the settlements during the war continued to exist in the post-war context. Such strong affiliations gave the war-displaced families the protection and the backup necessary later to receive post-war compensation, which helped them acquire legal shelters in southern Beirut suburbs.

e. Longer than a 'temporary' settlement

As time passed, the living conditions of the displaced families became more permanent. After at least 17 years of informally living in the city's neighborhoods, new nuclear families were formed. Their sons and daughters had never been to the village from which their parents were originally displaced, and do not identify with it. Mona's story illustrated this fact well:¹³

I was three years old when my family was displaced from Bint Jbeil and settled here in Sfeir. My husband was six years old when his family settled in Khandak Al-Ghamik. My husband and I met in Wadi Abu Jamil. When we decided to get

¹¹ According an official at the Ministry for the Displaced, newcomers who came first or those who already had strong ties with the political parties in charge of the area were given fully furnished apartments. Others got apartments that were already robbed of their furniture. As time passed, the number of families who sought a shelter in West Beirut's war-scarred neighborhoods tremendously increased. The political parties required people to settle for less space. In the end, families of 8-10 individuals were living in one room.

¹² Interview with Hajj Ali on December 26, 2004 in his shoes store in Hayy el-Selloum.

¹³ Interview with Mona and her mother Imm Abbas in their house in Chiyyah on January 10, 2005.

married, we took one room in my husband's parents' occupied house to start our family. My three children now have nothing to do with Bint Jbeil.

This significant issue should have influenced the compensation policy for the war-displaced squatters. However, the 'return' programs that were initiated by the Lebanese government to motivate squatters to go back to their villages, discussed further in Chapter III, disregarded the living conditions of the second and third generations of the original squatters, who were born and have lived their lives in the city center, and do not identify with the village.

II.2 The Second Phase of Displacement

From the Beirut Central District to a Suburb (1994-present)

The post-war era in Lebanon, which started in 1992, witnessed several reconstruction projects that aimed to reinstate Lebanon on the regional map. In order to achieve that, large-scale development projects were planned, the most important of which was the Beirut Central District reconstruction project. The squatters that were living in the district's abandoned buildings had to leave. This section provides the background on this second phase of displacement.

a. End of the Civil War: Beirut as a World City

In 1989, the Lebanese war factions signed the National Reconciliation Accord, known as the Taef Accord, which declared the end of war. The accord identified the 'return' of the displaced population to the areas of origin as the primary concern of the Lebanese government to facilitate the reconciliation process. In 1990, the war came to end.

In 1992, the first post-war government was established. A private real-estate agency— known as Solidere¹⁴ was appointed by the Municipality of Beirut to start the reconstruction of Beirut Central District, with the aim of turning



Wadi Abu Jamil and Zokas El Batt from Beirut Marina



Fig. 2-5: (left) Renovated Wadi Abu Jamil neighbourhood viewed from the Beirut Marina. (www.solidere-online.com)

Fig 2-6: (right) The Ministry for the Displaced in the Starco Bldg, viewed from Wadi Abu Jamil; on January 10, 2005.

¹⁴ Solidere is a French acronym, which when expanded and translated to English, means 'The Company for the Development and Reconstruction of Beirut's Central District'

Beirut's city center into a 'world destination'. Solidere's job was to reconstruct Beirut as "An Ancient City for the Future":¹⁵ a financial and cultural center in the region, a renowned world city, the Switzerland of the east (Fig. 2-5 & Fig. 2-6).

Solidere was granted the rights to confiscate the property rights of the original owners of the buildings in the Beirut Central District. In exchange, the original owners were given shares in Solidere. A major obstacle for this scheme was to clear the war-scarred buildings from the low-income Shiite families who informally occupied them (Fig. 2-7). The political affiliation of the families living there made it harder to evict the people without giving them compensation.



Fig.2-7: Before (1990) and After (2000) pictures of a street in Wadi Abu Jamil (www.archnet.org).

b. Displacement: From the Beirut Central District;

Establishing the Ministry for the Displaced

In 1993, the Lebanese Ministry for the Displaced and the Central Fund for the Displaced, two public agencies, were established in order to facilitate the return of the displaced. The Ministry was established to rebuild the war-damaged vital sectors including infrastructure, housing, economy, and employment in order to facilitate reconciliation and return to the areas of origin. The ministry was also in charge of solving the problem of the war-displaced families,

¹⁵ <http://www.solidere-online.com/solidere.html>

who squatted in the abandoned apartment buildings, in particular in the Beirut Central District and along the green line areas (Fig. 2-8).

Financed by the Central Fund for the Displaced, the Ministry for the Displaced policy has been to give cash compensation to the war-affected people to return to their areas of origin, and reconstruct their houses. The four categories for compensation were given for displaced families to:¹⁶ (Lebanese NGO Forum, 2001)

- (1) Reconstruct totally-destroyed houses: About \$45,000/family
- (2) Rehabilitate partially-destroyed houses: About \$20,000/family
- (3) Repair mildly-destroyed houses: About \$6,000/family
- (4) Evacuate the illegally-occupied houses: About \$5000-\$12,000/family to war-displaced squatters who occupied war-scarred abandoned houses during the war.¹⁷

This study focuses on the fourth category.

For the most part,¹⁸ the Lebanese government, through the Ministry for the Displaced, restricted its interventions in the fourth category to giving monetary compensation to the war-displaced squatters to evacuate. The official allocated amount to the people ranged from \$5000 to \$8000 to evacuate the apartments, and return to their villages from which they were displaced. Nevertheless, most of the families were not willing to go back to the village. Although the official amounts allocated were not enough to buy one room in Beirut, the actual compensation amounts the families received increased with the political parties' backing, enabled them to acquire apartments in Beirut and its suburbs.



Fig. 2-8: Wadi Abu Jamil: Buildings recently evacuated from squatters adjacent to already renovated ones; January 11, 2005

16 The amounts listed here are quoted from an interview with an official at the Ministry for the Displaced, so their accuracy is unconfirmed.

17 This category was created under political parties' pressure and to avoid further turmoil in the country, especially since most of the war-displaced squatters were Shiites.

18 In one unprecedented action, the Ministry for the Displaced intervened in building housing units for the displaced in Al-Qibbeh, Tripoli.

c. Political Parties' Role in the Second Phase of Displacement

With time, it became common knowledge that most of the families settling in the Beirut Central District and the green line were staying in Beirut after being evicted and compensated. Few were willing to return to their villages. With the amounts of compensation the displaced families received, it was unlikely that they were able to find reasonable housing in and around Beirut. The growth boom that the post-war reconstruction of downtown Beirut witnessed beginning 1992 was manifested in high real estate prices. Therefore, it was not possible for the displaced low-income population to buy apartments in the areas from which they were evicted.

However, governments in Lebanon rarely intervened directly in solving social such problems such as lack of affordable housing. Instead in Lebanon's market-led economy, public institutions have always depended on the private sector to solve such social problems. Nevertheless, in the case of the displaced in Beirut, it was not possible to solve the problem through the formal market mechanisms such as private banks. This is because the war-displaced low-income squatters, who were mostly self-employed workers in unstable jobs, were not qualified to acquire housing loans from the private banks or the Housing Bank.¹⁹

As this thesis shows, such terms of eviction have left a lot of room for the political parties to intervene, in helping people secure compensation, acquire cheap houses, and by helping them obtain low-interest loans.

d. Settlement: The Southern Suburbs; Sahra Choueifat

In this second phase of displacement, a few of the Shiite displaced families were able to reclaim the apartments they had rented in the eastern suburbs such as Bourj Hammoud before they were expelled in 1976. Others had to either move to the informal settlements, or to privately developed, low-cost apartments that had mushroomed during that time in the southern suburbs of Beirut. Families who chose to move to the residential complexes were able to secure small apartments (80-120 m²) for affordable prices. The cheapest were the first housing complexes developed in Sahra Choueifat, the AA complexes. The price for a 2-room apartment, about 85 m², in the AA complex was \$18,000, and the developers offered the families extremely

¹⁹ The Housing Bank is a public-private bank that gives long-term loans to employed individuals to help them acquire housing. The Housing bank does not accommodate people in the lowest income bracket, who do not have stable income, or income less than \$400 per month; for more info on the Housing Institution in Lebanon, see Sadek 1996 and Fawaz 2003.

flexible payment programs. These programs were made possible by the financial support of the political parties to both the developers and residents. The parties had an interest in helping the displaced Shiites relocate to Sahra Choueifat, an originally Druze area and an inherently post-war contentious zone for the Shiites to live in.

II.3 The Third Phase of Displacement:

From Sahra Choueifat to Shiite Dominated Areas (2004-present)

In this section, I will describe the location of Sahra Choueifat and give a brief history of the area's urban development. Then, I will situate the Sahra Choueifat within the current geo-political conflict. I will also briefly describe method through which the Shiite developers acquired land in the area, and give an overview of the characteristics of the inhabitants of Sahra Choueifat. This information will set the background for the discussion of the third phase of displacement that the Shiite families that relocated to Sahra Choueifat are currently facing.

a. Brief History of Sahra Choueifat

Sahra Choueifat is located in the town of Choueifat, 13 km²⁰ southeast of Beirut (Fig. 2-9). The size of Choueifat is 18 km², which is almost equal to the size of Beirut. Choueifat encompasses three real-estate districts Al-Qobbeh, Al-Omara, and Al-Amrouseyyeh. All three areas are hills that rise 150 m above sea level and slope down to the Mediterranean Sea. A main road, called the 'Old Saida Road' separates the hills from the plain. Sahra Choueifat is the common name used to refer to a portion of the plain area.

In the urban religion-based geography of Lebanon, Sahra Choueifat is a strategic and geo-politically contentious area (Fig. 2-8). It is situated between Beirut International Airport from the West; Bchamoun and Aramoun, and Deir Koubel²¹ from the South; the Druze Choueifat from the East; the Christian Hadath from the

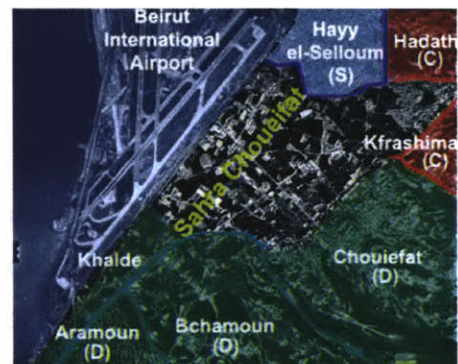


Fig. 2-9: The contentious geo-political location of Sahra Choueifat between the Druze areas (D), the Shiite area (S), and the Christian areas (C). (Base map courtesy of Choueifat Municipality).

²⁰ <http://www.choueifat.gov.lb/>

²¹ All three towns were originally Druze towns.

Northeast; and the informal Shiite settlement of Hayy el-Selloum²² from the North. It is divided in two parts by the Tiro Road. Its urban residential quarters were initially built started to the north, in the area closest to Hayy el-Selloum (Fig. 2-10); after that residential development extended to the southern area.

Over time, Sahra Choueifat developed from an agricultural area to an industrial and residential one. Historically, Choueifat has developed on its three hills while for a long time the plain remained agricultural fields (since 800 AD).²³ Most residents remember the area as an olive grove. In 1970, most of the area was zoned residential, while the strip along the airport was zoned industrial. However, during the civil war (1975-1990), the area did not develop residentially, due to either its relative proximity to the demarcation line or for political reasons. Instead, Sahra Choueifat became an agricultural and industrial center for West Beirut.

Beginning 1992, the area witnessed a post-war construction boom of large-scale residential complexes. Currently, the area of this study encompasses about fourteen large-scale housing complexes, which were built starting in 1992. The complexes are mostly inhabited by

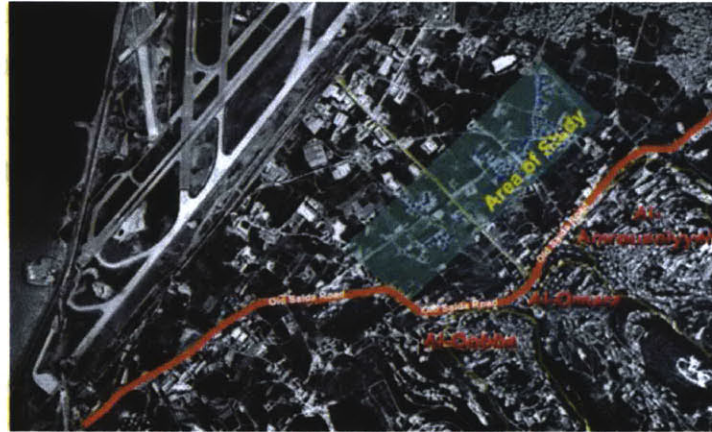


Fig. 2-10: The three hills: Al-Qobbeh, Al-Omara and Amrouseiyeh. The area of study is highlighted.



Fig. 2-11: General view of the three complexes: AA, YS, and DB (1); on January 9, 2005.

²² Technically, Sahra Choueifat is bounded to the north by Leilaki and Tahwitat Al-Ghadir, in which Hayy el-Selloum is partially located

²³ Choueifat Municipality website

low-income Shiite residents,²⁴ both new families, and families who were displaced by post-war reconstruction projects in the capital city (Fig. 2-11).

The original residents of Sahra Choueifat are mainly Druze and Christians, and a minority of Sunni Bedouins. Historically, Choueifat did not have Shiite residents, except for the rural-urban migrants that squatted in the informal settlement of Hayy El-Selloum, an area partially within the jurisdiction of Choueifat. Therefore, Choueifat municipality does not have Shiite elected members on its municipal board. During the war (1975-1990), most of the Christian families left the town after Choueifat became a Druze war zone. Since then, the local government's decision making is mainly led by the Druze residents who constitute the majority of voters in Choueifat.²⁵

b. Situating Sahra Choueifat in the Geo-Political Conflict

Sahra Choueifat is a politically-charged location. While most of the other southern suburbs that the war-displaced had moved to are part of what is referred to as *Al-Dahiya*, Sahra Choueifat is not. According to Harb (2001), *Al-Dahiya* constitutes of:

the zone extending south of Beirut to the airport and east to the agricultural fields of Hadath and Choueifat. 'The suburb' conveys emotionally charged referent that are often propagated by the media but also used by average Lebanese citizens. These discourses describe the suburb as a misery belt characterized by illegal urbanization, squatters, and underdevelopment. Another term often used is [Hizb'Allah's]²⁶ suburb' connoting an Islamist suburb where 'poor Shiites' live" (Fig 2-12).

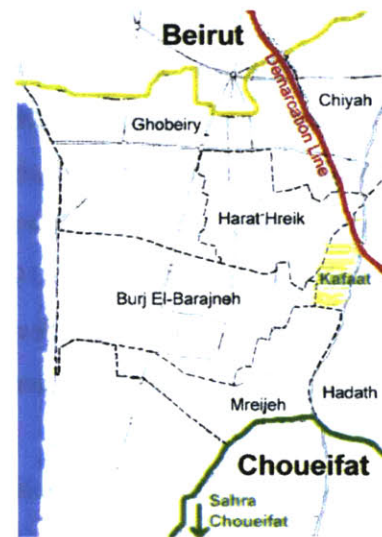


Fig 2-12: A sketch of the *Al-Dahiya*. Sahra Choueifat is out of the frame (Base map modified from Hamade, 1987).

Despite the fact that Sahra Choueifat is an adjacent area to the southern suburbs, it was not a "poor Shiite" area or a "Hizb'Allah suburb" before 1992. On the contrary, during the war

²⁴ The landowners hired rural-urban migrant families to work on the land. Beginning 1992, these families played a critical role between the sellers and buyers of land. Most of them have apartments now in the buildings.

²⁵ The municipal board still has 30% Christian members, but they are not effective since most of the Christian voters do not live in Choueifat anymore.

²⁶ Harb wrote Hezbollah' instead of Hizb'Allah, I changed the writing here for consistency with the text.

Sahra Choueifat was a Druze area, led by Druze political parties who were war rivals with the Shiites. People of both groups still have hostile feelings towards each other.

However, the urban growth of *Al-Dahiya* necessitated its extension to Sahra Choueifat, since the area's extension towards Beirut is restricted by physical edges and religious-divide lines. The physical limits include the Mediterranean sea from the west and the Airport from the South West; a set of highways including the Sports City highway, the airport highway, and the ring in Beirut Central District.²⁷ On the other hand, the religious-based invisible demarcation lines are those that separate *Al-Dahiya* from the adjacent Christian and Druze territories—part of which was the green line. These edges challenged the growth of the area, which is already overpopulated, and limited its growth to few possible directions. Looking at the map in this lens, it becomes apparent that Sahra Choueifat is the main “natural extension”²⁸ possible for the Shiite neighborhoods.

The extension of the Shiites to Choueifat seems to have been a concern on the part of the Druze Choueifat residents for a long time. For example, In *A Housing Proposal against All Odds: The Case of Squatter Settlements in Beirut*, Hamadeh (1987), while discussing possible relocation sites for the informal settlers of Raml into a site and services project, suggested Sahra Choueifat as the most appropriate site for the relocation. However, she disregarded this option for political reasons:

This land (Sahra Choueifat) could have been an interesting land to exploit for an eventual relocation project...It is for political and religious reasons that the extension of the Shiite illegal sector of Hay el- Selloum, north of it was always impossible” (p. 80).

Moreover, a report on *Rebuilding the Residential Sector in Beirut* (1992) discussed Sahra Choueifat as a contentious space for urban growth of the southern suburbs:

If a new plan supplying 10,000 units in Choueifat area, currently proposed by government is implemented, it will occupy 15% of the general available build out. In this area, the majority of the population is Druze. This group has strongly opposed the new housing projects in that area, as they will bring other ethnic groups²⁹ into this Druze stronghold (p. 39).

²⁷ Many people believe that the physical edges that were constructed around *Al-Dahiya* were deliberately intended to curb the area's growth.

²⁸ Officials and residents often use this word to explain how the Shiite took over their area.

²⁹ The other ethnic groups that the authors refer to are the Muslims. On page 40, the authors mention “[d]espite the fact that it is predominantly Druze, it expected that this area will attract other Muslim communities.”

Both examples clearly explain the logic behind the development of Sahra Choueifat, and the current conflict over territory that is taking place between the incoming Shiites and the original Druze residents. In fact, what could not have been conceived ‘illegally’ by the extension of the adjacent settlements or by public confiscation was conceived ‘legally’ and with the help of the political parties that represent the Shiites in the suburbs. Low-cost housing development was the tool.

c. Acquiring Land: A “Domino” Effect³⁰

The ‘domino’ effect is a term used by the Choueifat residents to explain how the land was sold to Shiite developers initially by Christian landowners, followed by the Druze owners. AA was the first housing complex to be built in Sahra Choueifat. The owners of the land were Christian people who left Choueifat during the war. In 1992, the owners sold their land. It did not affect them directly since they did not want to ‘return’ to Choueifat. The AA company developed on the plot a 12-building complex with around 300 housing units. Most of the families that bought apartments in the complex were Shiite residents. The development of this large-scale complex of low-cost housing was the first lot that started the domino effect.

As the Lebanese were recovering from fifteen years of civil war, it was not easy to accept the idea of coexistence with other sects, especially with the absence of any adequate reconciliation programs promoted by the government. As soon as the Shiite developers bought the land, the Druze landowners, who owned the adjacent plots of land, became alarmed. They did not want to be neighbors to Shiites; therefore they sold their land to other interested developers in fear of becoming neighbors to the complexes. For the same reason, the neighbors of the neighbors sold their land. Eventually, a large portion of the area was sold to Shiite developers³¹, a “domino effect” through which land, was acquired.

The residents of Choueifat became aware of what was happening when they saw the low-cost residential complexes mushrooming in the area. At that time, the Shiite residents became legal apartment owners in the area. It was not possible for residents to advocate evicting them as illegal residents, and therefore the conflict over territory resorted to legal tools instead.

³⁰ This section is based on my interviews with the residents and the municipality officials.

³¹ When the developers could not pay the price of land, the Druze owners partnered up with developers for the project, capturing a percentage of the return.

d. Residents of Sahra Choueifat

Through fieldwork, I found out that the Sahra Choueifat complexes are inhabited by four main groups: (1) newly-weds who bought apartment in Sahra Choueifat to start their families; (2) families evicted from infrastructure projects such as Nasrallah and Laylaki highways; (3) families evicted by owners from their rent-controlled apartments, many of whom received compensation to evacuate the apartments;³² and (4) the war-displaced population evicted from war-scarred areas in the Beirut Central District and along the demarcation lines, the group on which this thesis focuses.

There are no available statistics on the average income of the families living in Sahra Choueifat. Yet, I found out that most residents I interviewed are low-income, with incomes less than \$600/month.³³ The families I interviewed complained about the high rate of unemployment in the area, and reported that their children can not find jobs. These who had jobs reported working as custodians, car mechanics, factory workers, taxi drivers, or soldiers.

It is important to note that the developers of the AA complex said that their buildings catered mainly to the newly-weds and not to the war-displaced people, since they had sold their complexes before eviction from Beirut war-scarred areas started. It is true that I found several such newly established families; still, I also found a large displaced population. As this thesis shows, the war displaced did not wait until their eviction to buy apartments, which might have obscured to the AA developers the displacement history of their clients.

e. Political Affiliations

Most of the residents living in Sahra Choueifat complexes are affiliated with one of the two Shiite political parties: Haraket Amal and Hizb'Allah. Both parties are active locally. Pictures of both parties can be seen around the neighborhood. While posters for Haraket Amal (Fig. 2-13) outnumber those of Hizb'Allah, residents interviewed pointed out that Hizb'Allah is much more active in helping the people



Fig 2-13: “Until When, the wall of Silence”. A poster of Haraket Amal in Sahra Choueifat.

³² Families can be evicted from rent-controlled apartments only in the event that one of the owners' children needs the apartments after getting married. Other reasons include redevelopment of the plot. (The Rent Law, 1962).

³³ World Bank's poverty line for Lebanon (Fawaz & Peillen, 2003).

access housing. Therefore, the role of political parties in the housing market will focus on the role of Hizb'Allah, more than other religious groups.

After describing the three phases of displacement, the following chapters will focus on the transition of the displaced from their war-scarred shelters to housing in Sahra Choueifat, the second phase of displacement: the next chapter will discuss the monetary compensation, the means that allowed the people to acquire a legal residence in the city, followed by discussion on the role of political parties in the housing market. The thesis will last discuss the current conflict over territory in Sahra Choueifat that is causing the third phase of displacement.

Chapter III: Monetary Compensation:

From Squatters in the City Center to Legal Residents in a Suburb

Large-scale development schemes such as dams, urban renewal, and slum clearance projects often cause the internal displacement of communities that inhabit the selected implementation sites. Displaced people lose their shelters and jobs, which often leads to long-term impoverishment. In order to compensate displaced populations for their losses, public and private policies have varied between giving the displaced people monetary compensation or in-kind compensation, or a combination of both. Economists, anthropologists, and sociologists who have studied the displacement of low-income communities in different countries including Mexico, India and China (Brand, 1999; Cernea, 2001; Pearce, 1999), tend to agree that authorities implementing projects that involve displacing low-income people should pursue in-kind compensation policies rather than monetary compensation policies.

In-kind compensation involves giving the affected people land or houses into which they can move after they evacuate their former shelters. The involved authorities will be responsible for the proper relocation of the displaced population in the new sites. In contrast, with monetary compensation, the responsibility of the involved authorities ends when people have been given their share of compensation money. In this case, the affected people are responsible for finding alternative shelters and securing jobs. Several case studies in which the displaced people received cash compensation have shown that, for several reasons, the displaced population usually ends up impoverished (Cernea, 2001). According to Cernea, in most displacement-cash compensation cases, authorities under-evaluate the real value of the lost property by ignoring the non-market factors such as socio-cultural networks that are critical to the livelihood to its low-income owners. In other cases, the displaced people spend the compensation money paying off old debt rather than obtaining a shelter. Moreover, most low-income displaced people often end up settling far from the places that they were forced to leave. This is because with waves of compensation, land prices escalate to levels that the evictees cannot afford. This move often hinders the displaced families from keeping their former income-generating activities.

However, the literature on the subject of compensation rarely discusses whether monetary compensation policies have certain advantages that should be considered in particular situations.

Giving in-kind compensation needs strong institutions that can follow-up on the process of compensation and relocation. However, several developing countries that are introducing large-scale developmental projects that induce displacement of communities have neither the resources nor the organizational structures necessary to implement in-kind compensation schemes. Despite the fact that monetary compensation policies are still practiced in several developing countries, it was surprising to find out that most scholars did not discuss guidelines or recommendations that aim to improve the process of disbursing monetary compensation.

This chapter will investigate the case study of monetary compensation for the 50,000 war-displaced people who informally settled in the abandoned buildings of Beirut Central District neighborhoods (Fig 3-1), and along the green line.

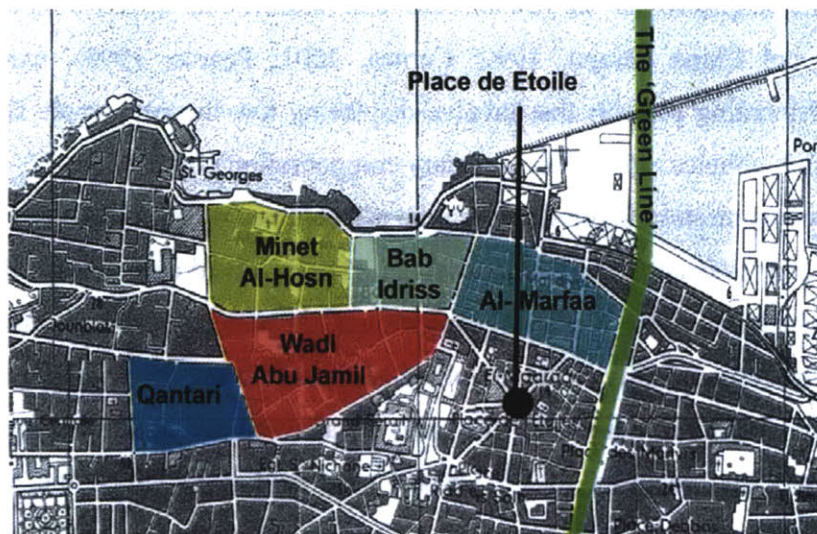


Fig. 3-1: Few of the neighborhoods of the Beirut Central District. Base map modified from Borre Ludvigsen, 1997 <<http://almashriq.hiof.no>>

In 1992, the post-war large-scale Beirut Central District reconstruction project was initiated. As discussed in Chapter II, the project involved evicting the war-displaced squatters from the shelters they had inhabited for seventeen years. The Lebanese government decided to give each family a sum of money to evacuate. I analyze here a few of the observed long-term implications of giving monetary compensation on the displaced people's current living conditions ten years after being evicted. Moreover, I compare the situation of the families who were displaced ten years ago from Beirut Central District and relocated to Sahra Choueifat, with

nine families who are currently being evicted from neighborhoods along the former demarcation line, or the green line.

This section discusses two findings: first, the research shows that monetary compensation is not always detrimental to low-income displaced people. In the case of Beirut, cash compensation gave people the means to change their status from illegal to legal residents of the city. The cash compensation gave them the freedom to choose their shelter according to their preferences. If they were to receive in-kind compensation in the form of land or housing, they might have had to relocate for sites that are far from their employment. The research suggests that the problem lies within the poor performance of other supporting mechanisms, such as the legal and banking policies, that are crucial to the implementation of successful monetary compensation policies.

Secondly, monetary compensation can still have several negative consequences, especially when implemented in areas of conflict such as Lebanon. The study indicates that the uncertainty in the post-war wide-scale monetary compensation, enabled the intervention of political parties, and contributed to the formation of geographic religious enclaves reinforcing the division between the war rival groups, a situation that may have severe negative consequences on the long-term reconciliation process in the country.

III. 1 Literature on Monetary Compensation

Compensation is derived usually in cash and sometimes in kind. When it takes the form of cash, it transfers upon those displaced all the risks related to the market-use of cash for acquiring replacement assets. These severe risks are well known. (Cernea, 2002)

Monetary compensation is very controversial. Few scholars would agree in fact that monetary compensation is an adequate form of compensation to displaced low-income residents. The World Bank and other aid agencies, as well as scholars on the subject of displacement and resettlement do not support giving monetary compensation to low-income population in any case of eviction. Moreover, the Office of High Commissioner on Human Rights in its *Guiding Principles on Internal Displacement* urges the authorities involved in displacement of low-income population, whether caused by civil conflict or by large-scale development projects, to give in-kind compensation and ensure adequate resettlement for the affected people. In specific, Principle 7 of the Guiding Principles, states that “authorities undertaking such [forced]

displacement shall ensure, to the greatest practicable extent, that proper accommodation is provided to the displaced persons, that such displacements are effected in satisfactory safety, nutrition, health and hygiene, and that members of the same family are not separated” (OHCA, 1999). Therefore, giving the affected communities monetary compensation in exchange for evacuating their shelters clearly does not satisfy these guidelines. By giving monetary compensation, the concerned authorities will generally not know whether the displaced people have found a shelter, have received property titles, or have secured adequate access to potable water and sanitation.

Others argue that monetary compensation can be given only as a portion of the bundle of rights given to people to compensate them for their lost physical assets, supplemented by adequate in-kind compensation to ensure the affected people’s access to shelter and basic services. In *Methodological Issues in the Economic Analysis for Involuntary Resettlement Operations*,” Pearce (1999) argues that cash compensation should be confined to those “assets that can not be easily replicated in the resettlement areas, for example, trees” (p.77).

However, many governments prefer giving cash compensation since it entails less involvement in the post-eviction process (Cernea, 1993). Cash compensation is also encouraged by extreme market economists who consider cash compensation “a fair way of handling displacement.” However, Cernea (1993) remarks that anthropological and sociological field studies have repeatedly found out that leaving the displaced to the market to secure their shelter often leads to losing their money through inflation, leaving them homeless and impoverished. He claims that evidence has shown that the purchasing power of monetary compensation may not be enough to reacquire the same quality and quantity of the lost shelter due to transaction costs, lost search time, and increase in land and house prices (in limited markets) due to the sudden increase in demand and inflation. Therefore, Cernea argues that in practice only adequate in-kind compensation can minimize the aftermath impoverishment of the displaced population.

Among the problems in cash compensation that Cernea (2000) pointed out are: (1) undercounting of the expropriated assets leading to less than fair compensation; (2) un-recognition of non-physical losses; (3) under-compensation due to late disbursement of funds;

(4) subtraction by corrupt officials¹; (5) increase in land and housing prices after compensation; (6) misdirection of expenditure of money due to the recipients', who are soon left "assetless and cashless," due to their lack of knowledge in handling cash. As a result, he suggests that urban redevelopment projects should consider displacement and relocation as part of the costs of urban growth and account for it (Cernea, 1993).

Still, Mejia (1999) mentions that there is not yet a comprehensive empirical body of research on the impacts of giving monetary compensation to low-income displaced people; therefore, accurate repercussions of giving cash to the poor has not yet been evaluated properly. Mejia's statement has been recently emphasized by a study conducted by Harvey (2005) on the use of cash and vouchers in emergency zones, in which he found out that providing people with cash and vouchers in emergency response may yield better results than in-kind compensation, by taking into consideration the effectiveness of the local market. His study marks an important step in reclaiming a role for monetary compensation in development aid. Nonetheless, he concludes that adoption of the cash compensation should be assessed on a case-by-case basis. Conditional cash, implemented in a few Latin America countries, is also proving to be a successful policy (Harvey, 2005).

Another controversial issue in compensation policy is the legal status of the evicted population. Whether the people evicted are owners of the expropriated property or informal squatters, calls for different policy that range from full in-kind and money compensation to null compensation, where the eviction is carried out by force. The World Bank's guidelines for displacement and resettlement do not distinguish between 'legal' and 'illegal' inhabitants. The Bank's policy is to offer compensation regardless of whether a person is a titleholder or not. Therefore, in the World Bank-financed projects, people without legal title are compensated and resettled (Mejia, 1999). Nevertheless, several governments believe that squatters are not entitled to compensation, should bear most or the entire financial burden of resettlement, and are partially or fully responsible for acquiring alternative shelter (Mejia, 1999). For example, the Acquisition and Requisition of Immovable Property Ordinance in Bangladesh clearly states that, "laws on acquisition of land and property do not recognize squatters or illegal occupants" (Republic of Bangladesh Resettlement Framework, 2004).

¹ In addition to two other factors, such as (1) under compensation because of lost consumer surplus, and (2) preemptive exclusion of some common assets.

In Lebanon, a market-led economy, the involved authorities in the post war era decided to give monetary compensation for all kinds of displacement, whether caused by 15-year civil war or the post-war reconstruction projects, thereby leaving the low-income families to rely on the market to secure a shelter.² Monetary compensation was considered by the Lebanese authorities to be the best policy “to secure the return for a large number of the internally displaced within the shortest time period and the least amount of funds” (Ministry for the Displaced, 1998). The eviction and monetary compensation policies were not supplemented with any social housing or even low-interest subsidized loan programs that enable the displaced families to relocate to alternative shelters and adjust to their new life.

III.2 Monetary Compensation in the Beirut Context³

This study focuses on the implications of giving monetary compensation to low-income families on their ability to access legal housing in the city. The study focuses on the group of war-displaced families who relocated to Sahra Choueifat and Kafaat, after the Ministry for the Displaced and Solidere gave them compensation to evacuate their informal war shelters in the Beirut Central District and along the demarcation line.

In this section, I will describe how the war-displaced families in Beirut were compensated. I will focus on four main issues that affected the compensation amount and the subsequent relocation process. The four issues are: (1) the war-displaced rights to compensation, (2) the displaced families’ return to their areas of origin, (3) the compensation disbursement law, and finally (4) the role of the political parties in the compensation phase.

² On the other hand, it is interesting to note that in 1991, the World Bank published a report for Lebanon entitled, *Recent Economic Developments and Emergency Rehabilitation and Technical assistance Needed in Selected Priority Sectors*. The project proposed the construction of 12,000 units to house squatters from Beirut Central District for \$120 million; and 23,000 units to people who are squatting in other people houses estimated to cost \$230 million; A total of 35,000 units with \$350,000 million, in line with the World Bank’s in-kind compensation strategies (Rebuilding Residential Sector of Beirut, 1993).

³ The analysis of compensation in Beirut’s case is primarily based on the stories of residents I interviewed in Sahra Choueifat and Kafaat, several years after they were evicted. The analysis is complemented by information collected from the yet-to-evicted war-scarred areas, such as Hayy Madi, Sfeir, and Chiyyah.

a. Monetary compensation: Displaced or Squatters?

The complex legal status of the families who settled in the Beirut Central District and the green line presented a challenge to the form of the compensation policy. In the case of eviction, usually authorities have to deal with either legal owners of the expropriated property or squatters. However, in the case of Beirut, what is legal cannot be easily assessed, as the line between legal and illegal is blurred.

“They are squatters, occupiers of land”

In the public discourse in Lebanon, the Shiite families who squatted in the city center and along the demarcation line were stigmatized as “occupiers” of property (Fig 3-2). Without paying, they settled then in the apartments that were evacuated by their owners, in the Beirut Central District and the demarcation line neighborhoods, a practice which is a form of squatting. This negative idea was reinforced by the corruption that took place in the compensation procedures. Moreover, supported by political parties, several families came at that time of compensation to squat and benefit from the compensation; other brought family members to claim more compensation.

“We are war-displaced”

Yet, most of the families I interviewed, especially those originally displaced from the former occupied territories in South Lebanon, argued that people and officials who are mostly from other sects are unfairly stigmatizing them and discriminating against them. As they see it, most of the displaced families have children who fought and died to liberate the former Southern occupied territories, in addition to losing their houses to the continuous bombing. Therefore, they believe they have already sacrificed for the whole nation. In 1994, when the eviction from Beirut Central District started, their villages were still occupied by the Israeli forces. Ten years after the end of war, they still could not return to their villages. At the same time, they had to leave the shelters they had lived in for 17 years, and consequently were obliged to find an alternative shelter in the city with very little compensation.

Although, the war -displaced squatters in Beirut were mostly displaced by war, for 20 years they have been living in Beirut’s city center, a prominent location, with access to employment and services, and without having to pay for services, rent, or taxes. According to an interview with an official of the Ministry for the Displaced, the government could have

considered these families to receive compensation through a long time consumption of resources of the state, free of charge.

Therefore, this group of people could be considered either war displaced or squatters. Their characterization as squatters or war-displaced depends on one's religious affiliation: a Shiite person will most probably call them 'displaced', a Christian or Druze will most probably call them 'squatters.'

In the public discourse, the terms "displaced people" and "squatters" have become synonymous. As Yahya (1994) notes, "the interrelatedness and the differences between the two phenomena has caused confusion in nomenclature of the population in Lebanon. Both refugees and illegal squatters are referred to as *muhajareen* or "refugees" (p.113).



Fig. 3-2: Two recently evacuated buildings in Hayy Michael Semaan near Mar Michael church: an example of the abandoned buildings where the families settled arriving from the South in 1977, on January 1, 2005.

The distinction largely affects the approach to compensation, after defining what are the reasons to give compensation: is it meant to compensate families who were affected by war, or is it just an amount to the squatters to evacuate the occupied property? If the compensation is for the losses caused by the civil war, then the war-displaced squatters have the legitimate right to compensation. On the other hand, if the compensation was for the physical assets - the apartments, in this case - then people would be classified as squatters with fewer rights to compensation (in the eyes of the authorities).

The debate as to whether the families in Beirut Central District are "displaced" or "squatters" and the extent of their rights to compensation was overruled by the political power of this group.⁴ Many Shiites supported groups have repeatedly proven its power through large-scale community mobilization events against public projects (Fawaz, 2004), including their protest against the 2001 proposed Ouzaii highway and the 2003 electricity bills. Moreover,

⁴ They are also in charge of state institutions; for example, the head for Haraket Amal is also the Head of the Parliament.

Yahya (1992) pointed out that “the political repercussions at both the political and sectarian levels of displacing the displaced whose geographic space has become a power base would be too great” (p. 252). The political parties who have long-term relations with the war-displaced squatters provided the necessary power to negotiate compensation with the post-war governments.

Yet, the families were still titled as ‘occupiers’ of others’ property and were allocated funds that are “officially” much less than what the legal owners were entitled to. Whereas the legal owners were granted at least \$25,000-\$40,000 to renovate or rebuild their houses, the squatters were ‘officially’ allocated \$3000-\$5000⁵ per family for relocation⁶. The government plan was to evict the squatters to help them go back to their villages of origin.⁷ Ultimately, the actual figures for each family were decided by the political parties in charge of the neighborhoods.

b. The Return to the Areas of Origin

Despite all indications that the families had been leading a permanent life structure in the city, thirteen years later the Ministry of the Displaced still exists trying to move the war-urbanized population back to their rural areas.

Initially the post-war government expected that all displaced people would return to their areas of origin after they had received compensation, including the war-displaced squatters. The right to ‘return’ was in fact an intrinsic component of the 1989 Taef Accord, which ended the civil war. The Accord declared that “the return of the internally displaced persons an essential condition for permanent reconciliation and peace” (IDP Global Project, 2004). The Lebanese government through the Ministry of the Displaced stressed the importance of ‘return’ in all

⁵ People displaced from the *al-Sharit al-Hidoudi*, the actual Israeli occupied areas were given \$5000-\$8000, a gesture acknowledging the fact that they cannot easily return to their villages before liberation.

⁶ The process in which the ultimate official amount was decided upon was not clear.

⁷ The ‘official’ compensation that was allocated for these families was very little at first, and has been changed several times. It started with \$800 for each family. In response, the Druze settlers in the Al-Shouf Mountain protested, supported by a main Druze religious figure (Sheikh Abu Hassan Aref Halawi), asking the government to reconsider such an implacable amount. As a result, the Ministry of the Displaced changed the compensation to \$3000 for any displaced family squatting. An additional \$2000 was given to the families from occupied territories acknowledging their difficult situation to go back before the Israeli withdrawal in 2000.

publicized initiatives. With the help of aid agencies,⁸ the government established agricultural technical support and micro-credit programs for the returning families. However, the return was not set as a precondition to receive the compensation.

Yet, the rate of return remained generally low, including the rate of return of the war-displaced squatters. In fact, an official in the Ministry for the Displaced⁹ stated that the 2004 survey conducted by the ministry found out that only 12% of the displaced went back to their villages of origin, and the returnees had an average age of 65 and more. People who lived in the city center for 20 years had already established themselves in Beirut, and did not want to go back to the village.¹⁰ Fig. 3-3 shows an excerpt from a local newspaper in which the director of the Central Fund for the Displaced announced on Feb 7, 2001 that, “[a]fter 25 years, victims have built new lives-and do not want to return home.” Therefore, as soon as the squatters heard of their eviction,¹¹ they searched for an alternative shelter in or around Beirut, not opting to go back to the village. Most of the war-displaced squatters moved to the southern suburbs.



Fig 3-3: “After 25 years victims have built new lives-and don’t want to return home,” an article from the ‘The Daily Star’ newspaper, on Feb 7, 2001.

It is important to note here that despite the fact that the concept of the return, including that of squatters, has been widely disseminated by the Ministry for the Displaced, the Ministry’s *Achievements* report in 1998, commented otherwise. The report, which was publicized to

⁸ Most of the Lebanese government programs, supported by groups such as the EU, UNDP and USAID, are targeted towards improving the efficiency and technology of agriculture activities. However, most of the people who were living in the city do not have the skills to work in agriculture.

⁹ Interview with an official at the Ministry for the Displaced on December 31, 2004 and January 7, 2005

¹⁰ This was due to several reasons: first, and most important, the families and their children have established their lives in Beirut and do not identify with the villages anymore. Returning to the village required starting their lives from scratch. Second, the centralization of most economic activities in the cities before the war, especially in Beirut, in addition to the many years of neglect during the years of war left the rural areas underdeveloped. Third, in the case of the families displaced from the Southern occupied territories, it was not feasible to return before the Israeli withdrawal, which took place in 2000.

¹¹ As explained by the following section, the political parties played a mediator role by giving people information about the process.

counter the public inefficiency claims against the Ministry, stated that, “the process of evacuating [the squatters] and the return [of the displaced] leads to the solution of two problems: (a) The return of the displaced to his/her house which will be intact in most cases; (b) Securing an alternative house for the occupier, who benefits from the compensation disbursements” (p.29, translated from Arabic by author). However, this document is a highly politicized one,¹² which might have obscured previous intentions or action plans.

c. The Compensation Policy: Law 35

Since its conception in 1993, the compensation process has been characterized by uncertainty in the time and amount of compensation. The allocation and disbursement processes were very sensitive to the political atmosphere and alliances on the national level, conditions that sometimes contributed to the allocation of more funds to speed up solving the war-displaced case (1994-1996), while at other times halted the disbursement process altogether (1998-2000). Therefore, the war-displaced families living in war-scarred areas were left uncertain about their future. The families would receive no information on when they would be asked to move out, and the amount of compensation they would receive, since up until recently the amounts given were never restricted to the officially allocated \$5000.

Moreover, the laws for disbursement have been revised several times. Initially, the Ministry of the Displaced disbursed money according to the number of families¹³ living per house.¹⁴ As a result, many squatters hired rural migrant families to squat with them temporarily to claim more compensation.¹⁵ Upon receiving the amount, the families shared it based on a previous agreement, which was sometimes registered as a legal contract.

¹² A proof on the ‘politicized’ content of the report is the amount declared to be spent by Solidere on evicting the war-displaced squatters. According to the numbers presented on p. 35, the compensation funds amounted to 318,757,375,000LL paid to 21,063 families, which means that Solidere paid an average of \$10,000 per family. However, as discussed in this study, many people said that they have received larger sums.

¹³ I am not sure whether this was the written law at that time. Yet, this is how the ministry official explained the disbursement was practiced.

¹⁴ Businesses were not entitled to compensation, since they were considered to have benefited from their prominent location in the city center for 20 years without having to pay for any of the services provided.

¹⁵ Families had signed contract on the division of the compensation. Yet, still few of the hired families felt that they were deceived, as this story indicates:

D&D’s aunt’s husband is a prominent figure in Hizb’Allah. He helped them get five names for their housing unit, with \$15,000 for each family name (per *ikraj keid* ¹⁵). The father hired five families to squat with them for a week and signed a contract in which he agreed to give each family \$2000¹⁵. One of the hired families was upset when they realized that they had only received \$2000, while the main family received \$100,000. However, their claims were in vain since they had previously signed “legal” papers agreeing to receive only \$2000.

The latest revised version of the compensation policy is Law 35,¹⁶ which was approved on September 4, 2003.¹⁷ This law was drafted in response to an unexpected reduction in the allocated funds for the Ministry of the Displaced, which were decreased by half in 2001 in comparison to 2000.¹⁸ According to a ministry official, due to the shortage of funds, this law has been strictly enforced, guided by the size of apartment.¹⁹ The amount of disbursement per family has been fixed as \$5,000 for all war-displaced squatters.

Two articles of Law 35 are particularly important to this study in terms of their impact on the squatters' access to housing after eviction. First, the Ministry for the Displaced requires people to stay in the houses they were occupying until they receive their compensation. If the families leave the houses they were occupying, they would not be entitled to compensation anymore. Second, after receiving the compensation money, the war-displaced squatters were only given 15 days to evacuate their shelters. If they would not evacuate by that time, the police would force them out in 30 days. Since the process was uncertain, the people had to rent or buy shelters before they received compensation to ensure they would not end up in the street, a condition that had an implication on the vacancy rates in the low-cost housing complexes to which they relocated, for example in Sahra Choueifat.

d. Political Parties in the Compensation Phase²⁰

The political parties have played a critical role in this second phase of eviction; in essence, they controlled the entire process since they were the intermediaries between the squatters and the Ministry of the Displaced. In order to avoid political problems between the ministry and the active political parties, the disbursement process has been implemented by councils, which are composed of representatives of the local political parties and the Ministry appointed for each area. The councils' task is to carry out the assessment and allocation of

¹⁶ It was the latest version available during my last visit to the Ministry of the Displaced on January 11, 2005.

¹⁷ For unknown reasons, the Ministry for the Displaced officials I interviewed were not able to give me the previous laws for unknown reasons.

¹⁸ The law no. 343 signed on August 7, 2000 approved the budget for the ministry to be 946 Million LL. In 2001, unexpectedly the budget was more than halved, allocating only 450 million LL.

¹⁹ The numbers were based on the size of the apartment: apartments that are 80 m² and less can house only one family, and therefore receive only \$5,000 or \$8,000 in compensation. Apartments between 80 and 220 m² can house two families and therefore receive \$10,000 or \$16,000 in compensation; apartments larger than 200 m² can house a maximum of three families, with a total compensation of \$15,000 or \$24,000.

²⁰ This section is solely based on information collected from interviews with the displaced families.

monetary compensation for the occupying families. In the neighborhoods where the settlers are mostly Shiites (which is the case of both sites studied in this research), three members form the council: one representative of the Minister for the Displaced, one representative of Hizb'Allah, and one representative of Haraket Amal. In neighborhoods where most of their affiliates live, the political parties controlled all the displaced families' files pertaining to the designated neighborhood (Fig. 3-4). According to Mona, who was evicted from Khandak Al-Ghamik, the political parties in charge took around one-third of the additional compensation they secure for each family.²¹

In general, almost all material published on the post-war compensation process in Lebanon, including reports by local and international NGOs, newspapers, and academic articles,²² criticized the way the government went about disbursing the compensation money.

Most of the allocated budget was spent on money disbursed to the patronized squatters and their affiliated political parties who were backing them, rather than being spent on developmental projects. The amount of money spent in compensation in Wadi Abu Jamil²³ caused the public to name the area *Wadi Al-Dahab*, i.e. "the golden valley." D&D²⁴ are a good example to support the 'golden valley' claims. The girls' parents received \$100,000 in compensation with Hizb'Allah's backing. While several families received as little as \$5000, others got as much as \$100,000. According to the settlers that I interviewed, war-displaced squatters who received large amounts of compensation are a small group who has a lead role in the political parties and their relatives, while most people received amounts that ranged between \$12,000 and \$35,000. Currently people are receiving only \$5,000.

²¹ Some tension existed between the few families who might not be affiliated with the political parties in charge. These can include families affiliated with the other Shiite parties, or have an affiliation to other parties such as the communists or the pan-Arab parties, illustrated by Rima's story:

Two years ago, Rima had a fight with the official in charge of the compensation disbursement in her neighborhood in Hayy Michael Semaan. He was a member of Haraket Amal. As a result, Rima found out that the official did not register her family's name for compensation. Everybody in the neighborhood received money and left but her family. Currently, they are trying to appeal to a higher Haraket Amal official to ensure they receive compensation. The 'neighborhood council' have already surveyed their occupied house for the number of rooms and the total built up area to check whether the space fits for two families or not. However, R. is confident that the 'rules' are not really followed. Interview with R. on January 1, 2005

²² Such as reports by ILDES (Institut Libanaise pour le Developpement Economique et Social), YMCA, an-Nahar, and as-Safir.

²³ In Wadi Abu Jamil, most squatters were compensated by Solidere, the real estate company that took over the reconstruction of downtown, through the Ministry for the Displaced (Ministry for the Displaced, 1998).

²⁴ Interview with D&D on January 6, 2005 in the Kafaat Complex.

This paper will not dwell further on the highly controversial political interference in the compensation disbursement process in Lebanon, which many people would identify as being far beyond patronization and closer to corruption; this debate is beyond the scope of the study. Still, it is important to recognize the prevailing conditions that allowed the political parties to be in control of the entire process. The presence of weak public institutions, along with uncertainty in the compensation process, gave the political parties a central role as intermediaries between the squatters and the state. The political parties mitigated uncertainty by giving out information to the settlers about possible schedules and timing for eviction so that they could find housing before they were evicted. Moreover, according to Hajj Ali, the political parties in Hayy Madi, namely Hizb'Allah (Fig. 3-5), helped the poorest families who could not afford an apartment to find a cheap temporary shelter.

Still, settlers had to live in uncertainty sometimes as long as ten years, the period from when they received the notice of eviction to the time they received compensation. One of these settlers is Mona, who for ten years waited for her eviction from Khandak al-Ghamik, where she relocated recently to her apartment in Bir Al-Abed.

The case of compensation for war-displaced squatters in Beirut is not different from other stories about illegal settlements in developing countries

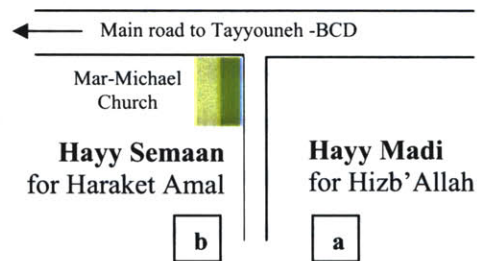


Fig 3-4: A sketch illustrating Rima's description of the division of territory of compensation between the two main political parties, Dec. 2004.



Fig 3-5: A picture of Sayyed Nasrallah, the leader of Hizb'Allah, placed in Hayy Madi's square.



Fig 3-6: "Lebanon is proud by electing you Mr. President". A poster in Hayy Semaan for Nabih Berri, the head of Haraket Amal and the Lebanese Parliament; December 31, 2004

(Fahmy, 2004), in which voting becomes the main mobilization tool that squatters employ to oblige political parties to back them up against eviction or for regularization. Although the war-displaced families already have close ties with the political parties in Lebanon, they still used a similar tool to boost up their amount of compensation, especially in the later stages of eviction. For example, Fig. 3-6 shows a poster from a Hayy Michael Semaan neighborhood addressing Berri, the head of Haraket Amal and head of the Lebanese Parliament, “Lebanon is proud by electing you Mr. President.” It is interesting to note that Hayy Semaan and Hayy Madi are only two blocks away from each other, yet the displaced families appeal to two different political groups to foster support for their compensation amounts (Fig 3-4).

III.3 Implications of Compensation on the Housing Market War-Displaced

The wide-scale phenomena of monetary compensation for the war-displaced squatter (50,000 individuals from Beirut Central District alone) had a significant effect on the housing market, particularly in the Beirut’s southern suburbs. In this section, I will analyze the implications of monetary compensation based on two aspects: (a) I will first describe the limited housing market for the Shiite war-displaced families. (b) Second, I will discuss, by comparing two war-displaced evicted groups, the implications of the change in compensation policy between 1996 and 2004, on the ability of these families to ensure a legal shelter in Beirut.

a. The Housing market for the low-income Shiites:

The evacuation and compensation for war-displaced squatters, which has involved the displacement of a large number of families, had a wide impact on the housing market for three main reasons: first, the war-displaced squatters did not want to return to their villages of origin, i.e. they were searching for a residence in the formal, or informal housing markets of Beirut. Second, even at the time of eviction 1994-1996 that coincided with the peak of the housing supply produced by the Lebanese construction boom, the cheapest price for a 2-bedroom apartment in Beirut would not have been less than \$50,000, therefore most of the displaced low-

income families had to move out to the suburbs²⁵ (An-Nahar, August 25, 1997). Third, the religious geographic divide lines that characterize the urban context of Beirut and its suburbs, demarcate the housing market to which the low-income displaced Shiite families would relocate. As a result, most evicted low-income Shiite families would only be able to relocate to the southern suburbs of Beirut, *Al-Dahiya*.

Upon eviction, such a limited market witnessed a sudden inelastic demand by the displaced families, which drive the housing prices up, especially for the low and middle-income housing units. According to the families interviewed, as soon as Ministry for the Displaced announces a compensation schedule for the war-displaced, the prices and rents for low-cost apartments in the *Al-Dahiya* sharply increased, apartments that were being leased for \$200 would be raised to \$300/month. Moreover, property owners were leasing to the tenants who pay the rent for the whole first year in advance. In January 2005, the week in which the families from Haret Hriek and Sfeir were informed of eviction, the price of the apartments in S&M complex in Kafaat was increased by \$4000--from \$28,000 to \$32,000, despite the fact that S&M do not have water and electricity networks. Therefore, families were obliged to settle for low quality apartments for much higher price than what is actually worth, a forgone investment, that in many cases the families could not afford.

b. Changes in Compensation Policy:

Comparison between Beirut Central District War-Displaced Squatters evicted in 1996 and Hayy Madi War-Displaced Squatters evicted in 2004.

The Lebanese government has been trying to conclude the war displacement phase as soon as possible in order to end one of the critical remaining phases of the civil war. From its inception, the Ministry for the Displaced has been seen as a temporary post-war ministry to be dismantled after all war-displaced families are compensated and returned home. The job of the Ministry was expected to take only a few years. However, it has taken much more time and

²⁵ Housing in the southern suburb neighborhoods of *Al-Dahiya* vary in price and quality. According to few residents I interviewed, the informal settlements, such as Ouzaii, Raml and Hayy el Selloum, are the cheapest areas to rent or buy. In the informal settlement of Hay el-Selloum, families can rent a 2-room house for \$100-\$150/month. Other 'legal' suburbs are more expensive; most rents in Mreijieh, Bourj El-Barajneh, and Ghobeiri range from \$200-\$350/month. Mouwaad was identified as the most expensive area where "only rich Shiites own apartments."

money than what was initially planned for, and has faced a lot of political and financial obstacles (IDP Global Project, 2004).

In 2004, a new government was selected with a different political vision and alliances than the previous government since 1992.²⁶ The new Minister for the Displaced, MP Talal Areslan, made an agreement with Haraket Amal and Hizb'Allah to finish the displacement phase soon and with as little money as possible, after which the Ministry of the Displaced will be dissolved.²⁷ The government used its political alliances²⁸ to get all parties to agree to a strict \$5000 compensation for each displaced family²⁹. In a stricter measure than the Law 35 detailed above, any size of house will be entitled to be compensated for only two families, which means \$10,000 in monetary compensation for any housing unit. Hajj Ali told me that the leader of Hizb'Allah was willing to sacrifice the support of the remaining squatters who will receive a small and an "implacable" compensation,³⁰ in order to help the government in closing the war displacement phase. In order to analyze the implications of the change in policy on access to housing, I will compare two groups of war-displaced squatters: a pre-2004 and a post-2004 (Fig. 3-7).

The pre-2004 group encompasses families who I met in Sahra Choueifat and Kafaat. As mentioned earlier, these families were evicted from Beirut Central District and its surrounding neighborhoods between 1994 and 1998 (Fig. 3-1), shortly after the commencement of postwar reconstruction of Beirut. The post-2004 group encompasses families who are currently being evicted (2004-2005) from war-scarred areas along the demarcation line.

I have no information about the effects of compensation between the period of 1998 and 2004. However, what I know is that, during that period, the projects of the Ministry for the Displaced were interrupted and halted for several time spans.

The funds to evacuate the settlers from Beirut Central District, which includes the pre-2004 group, were mainly provided by Solidere, the private real estate company that took charge

²⁶ Since 1992, all governments were led by later PM Hariri, except for one that was led by PM Al-Hoss 1998 which had different alliances than that of Hariri.

²⁷ While I was doing my fieldwork in January 2005, a Ministry of the Displaced official told me that they are planning to finish this phase by March 2005. However, the political turmoil that started by the assassination of ex-Prime Minister Rafik Hariri on Feb. 14, 2005 may delay the process.

²⁸ Amid the recent political turmoil, this government is referred to in the media as the pro-Syrian government.

²⁹ Information based on an interview with the Ministry for the Displaced official on January 7, 2005, and another interview with Hajj A.H., a Hizb'Allah member, on December 24, 2004.

³⁰ Some of the squatters, on the other hand, claim that prominent political parties' members are still getting more than \$10,000 in compensation.

of reconstructing Beirut Central District, including Wadi Abu Jamil, Kantari, Marfaa and Mina Al-Hosn. Solidere was willing to compensate the war-displaced squatters through its own funds in order to expedite the process³¹, and consequently clear the way for proper reconstruction. With the uneven political backing for squatters, the compensation amounts ranged from \$12,000 to \$120,000. On average, such amounts gave most settlers the means to acquire a secure shelter³² in the southern suburbs of Beirut, and in the newly developed areas of Sahra Choueifat and Kafaat, where the apartments were being sold for \$18,000-\$45,000. Moreover, families, relatives, friends, and war neighbors, bought apartments in the same complexes, to which they all relocated, therefore preserving the communal ties that were built over 20 years.

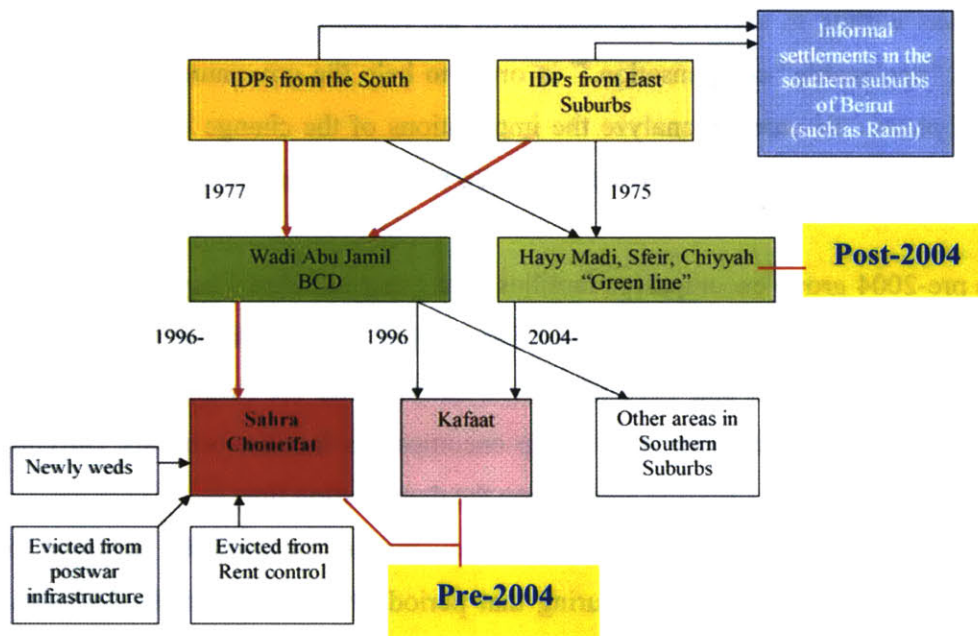


Fig. 3-7: The different locations that the residents -within this study- have lived in since the war. The chart shows the locations of the Pre-2004 and the Post-2004. (IDPs refer to the internally displaced persons)

The second group, on the other hand, is currently being evicted from other areas in the demarcation areas such Hayy Semaan, Hayy Madi, Chiyyah and Sfeir, under the stricter

³¹ Solidere, which wanted to evacuate the area as quickly as possible, was ready to pay high prices for evacuation. The high cost of evacuating the apartments was estimated to be eventually offset by the economic/financial gain from the reconstruction of the damaged buildings and the subsequent sale of apartments to higher-income people.

³² According to Hajj L, a developer, most people who thought they could afford to buy 3 bedroom apartments for \$32,000 or 4-bedrooms for \$45,000, ending up refinancing their loans and getting 2-bedroom apartments instead.

compensation policy discussed above. Most squatters are getting now a maximum of \$10,000, an amount that is not enough to buy a room anywhere. The squatters' inability to secure a house was exacerbated by the fact that the developers are not venturing anymore in low-cost complexes, which proved not to be profitable.³³ As a result, most war-displaced squatters who are currently being evicted have no choice but to rent either in the vicinity by paying \$200-\$300 per month and one year in advance, or in the squatter settlements, in particular Hayy el-Selloum, where the rents are about \$100 per month. The amount they will receive will allow them to secure rent for about three years, after which they will have to search again for a shelter.

In order to buy an apartment in the southern suburbs, a few families had to sell their assets back in the village. For example, Jihad, who has been currently evicted from Hayy Madi, told me that he had to sell his land in his southern village of Bint Jbeil for \$26,000, in order to buy a house for \$35,000 in the suburbs. This is an interesting case since it illustrates that the 'return' choice is not even considered, instead people are selling their assets back in the village in order to settle in Beirut.

Moreover, based on the previous compensation amounts that the pre-2004 group received, the families of the post-2004 group expected to be treated the same way by getting comparable amounts; therefore, a few bought apartment thinking that they will receive \$24,000-\$35,000—and not \$5,000. For example Mohammad, who at the time of the interview was being evicted from Hayy Madi, has bought two years prior to eviction two apartments in Sahra Choueifat, to which he planned to relocate to with his family after receiving the compensation. However, Mohammad expected to get much more money in compensation that to pay off his remaining debt for the apartments, an expectation that did not happen, thus causing him a financial distress.

The current terms of eviction are causing further impoverishment for the evicted population. People are forced to utilize the money to rent temporarily rather than buy a house. This is only a postponed problem. After three years, many of the families may not have any money to rent, and they will have to search for a shelter again or move to the informal settlements. According to my interviews in Hayy Madi, several families have already moved to

³³ My visits to several housing complexes to collect information for this research gave me information that was useful, in terms of location and prices of apartments, information that I gave to the families I interviewed, who were on the verge of displacement and were searching for apartments, to help them find an apartment.

Hayy El-Selloum,³⁴ an adjacent informal settlement. These cases suggest that with the current poor compensation, the problem of the war-displaced squatters is being moved from the war-scarred neighborhoods to the adjacent informal settlements, exacerbating the density and poor living conditions that already exist there, and exposing the families to new potential phases of displacement that the future of informal settlements in Beirut may hold.

III.4. Compensation and Vacancy in Sahra Choueifat³⁵

In 1996, Sahra Choueifat was within a statistical district that had 46% vacancy (Administration Centrale de la Statistique, 1997). I will argue in the following sections that the uncertainty in the process of monetary compensation, along with the current rental law, has contributed to the observed vacancy rates in Sahra Choueifat between 1994 and 2000. I will first introduce the vacancy rates, then discuss the common reasons to vacancy, and finally discuss Sahra Choueifat's case.

a. Vacancy Rates

The vacancy rate is the percentage of vacant apartments in the housing stock. The Housing Indicators Program for the developing countries established by the World Bank in 1992 (Mayo & Stephens, 1992) included housing vacancy rate as one of the indicators of the performance of the housing markets in a developing city, but not as a key indicator. Nevertheless, little research has been done on the implications of vacancy rates in the housing market in developing world. That might be attributed to the fact that most developing world cities are believed to suffer from a shortage in affordable housing rather than an over supply; if that was the case, then vacancy rates in these markets might be assumed to be irrelevant.

Yet, my brief research on the vacancy rates in few capital cities in the developing countries housing markets show that many of the these cities actually have high vacancy rates. For

³⁴ Families who I interviewed told me that people who did not mind the overpopulation of Hayy El-Selloum chose to move there. However, several women said that they did not relocate to Hayy El-Selloum, because they were afraid that their kids would be demoralized by the stigmatized youth of Hayy el-Selloum.

³⁵ It is important to note that this study on vacancy is limited in scope, and does not take into consideration many factors that impact the housing market, especially what is known as the 'displaced floor' or the 'Murr floor.' The 'displaced' floor is an additional floor, granted to developers in order to accommodate the demand for housing from the war-displaced.

example, in 2004, the vacancy rate in Cairo, Egypt was 30% (Al-Ahram Newspaper, 2004), and 36% in Bangkok, Thailand (Quigley, 2001). In 2003, the vacancy rate in Dar es Salaam, Tanzania, was 45% (Halla & Man'waru, 2003), and 24-34% in Beijing, China (DTZ, 2003). In 1999, Beirut, Lebanon had 20% vacancy rate (Hiadar, 1999), while Amman, Jordan, had 11-15% in 1988 (Stryuk, 1988). Therefore, it is worthwhile to discuss the vacancy rates in developing cities in order to improve the efficiency of supply and demand, and to address the obstacles that impede the low-income from accessing surplus housing.

Although vacancy rates are not discussed in the housing markets of the developing countries, they play a key role in shaping the housing markets in the higher-income countries such as the United States. Vacancy rates³⁶ are used by housing producers, housing financiers, and the government, to help understand whether the supply of housing is keeping in pace with the demand. High vacancy rates are interpreted as an oversupply for housing, while low vacancy rates may indicate an undersupply. Ultimately, vacancy rates shape the housing and funding policies in these markets.

b. Reasons for Vacancy in Lower-income Developing Cities

Although there is not a large body of literature that discuss extensively the reasons for vacancy in low-income countries, the subject has been discussed a few scholars and newspaper articles in different countries, presenting a wide spectrum of reasons for housing vacancy rates. Few examples are: (1) the change in macroeconomic conditions after the 1997 South east Asian financial crisis, left Bangkok with 36% vacancy rates (Quigley, 2001). (2) The restructuring of the government in Tanzania, left Dar es Salaam with 45% vacancy rates due to changes in the city's growth master plan (Halla & Man'waru, 2003). (3) The 30% vacancy rates in Cairo can be partially attributed to the rent control laws, which encouraged families either to rent apartments for the future of their children or as dowry for their daughters (Oweiss, 1990) Controlled rents were so low that the opportunity cost of renting an apartment and keeping it vacant was little. (4) The absence of property tax on vacant apartments, coupled with rent control policies, led many migrant workers in Amman, Jordan, to buy apartments and then leave

³⁶ The US Census publishes two vacancy rates indicators: (1) homeowner vacancy rate, and (2) rental vacancy rate. The homeowner vacancy rates³⁶ are rarely used to reflect on the housing public policies. Rent vacancy rates are used to signal necessary interventions on the part of the stakeholders in charge of housing supply (government, developers, investors, banks, etc...)

them vacant for their vacation (Stryuk, 1988). Furthermore, in many low-income countries, where the banking system is weak, housing remains the number one preference for investment. People prefer to buy an apartment with their money rather than putting their money in a bank.

c. Vacancy in Sahra Choueifat

In the late 1990s, the high vacancy rates in Lebanon were attributed by several researchers to an oversupply in the high-income end of the housing market, dictated by the high marginal profit (An-Nahar August 25, 1997; Al-Hayat August 7, 2000; Sadek, 1996; Labaki, 1996). Moreover, the high price of land led the developers to invest in high-end housing units rather than in middle and low income. According to the An-Nahar article (1997), “Housing in Lebanon as seen by the United Nations,” the high vacancy rates is due to the discrepancy between the excess supply in the high end and excess demand in the low-end. However, the vacancy rate in Sahra Choueifat was not in the high-income residential buildings, rather in the large-scale low-cost housing complexes that were mushrooming there. In 1996, the vacancy rate in the district was 46% (Administration Centrale de la Statistique, 1997).

I identified three main factors that help to explain the vacant apartments in the period of 1994-1998 in Sahra Choueifat: (i) the uncertainty in compensation, (ii) the compensation implementation policy, and (iii) the current rent regulation; in addition to the other known reasons, such as the 1996 economic recession, and the increase in the raw material prices of pebbles and steel. I do not claim that the following discussion of vacancy explain entirely the vacancy rates in the area at that point of time, but according to my field work, it significantly contributed to it.

i. Uncertainty in the Compensation Process

As mentioned earlier, the compensation process was characterized by uncertainty about both the amount and the time frame of the eviction. After receiving the compensation, the families had only 7-15 days before evacuating, which is very little time to find an apartment in the tight housing market of Beirut and its suburbs. Therefore, families who had informally settled in the war-scarred areas saw themselves close to being evicted, yet with the potential of being paid \$5000-8000 in compensation--or more. As a result, the war-displaced families, and before receiving compensation, had to secure a residence to which they could relocate upon

eviction. Therefore, years prior to eviction, many families resorted to buying apartments, in the low-cost housing complexes that were mushrooming in the suburbs, including Sahra Choueifat.

Those families who did not secure apartments before eviction found that by the time they received their compensation, they were on the streets without any shelter. Since the timeline for eviction was rarely clear, the families were buying housing as a security against sudden eviction, an economically rational behavior that was facilitated by the support of the political parties for both the residents and the developers.

ii. Compensation Policy:

The Ministry for the Displaced laws required the squatters to stay in the house they occupied until they receive their indemnities. Therefore, the families could not move to the apartments they bought before they had received their allocated compensation, else they would lose their claims to the compensation funds. Therefore, most families remained in the war-scarred area and left their new apartments vacant. Other families had to split: while few members moved to the new apartments, other stayed behind to ensure they would receive compensation.

iii. Rent control:

Now that most families had vacant apartments, which they could not fully utilize until they get evicted, they could have benefited from these new apartments to generate income, by leasing them. However, the rent laws in place prohibited them from doing so. Although the rents in Lebanon were freed from control in 1992 for all the spaces leased after then, the new rent law mandated a 3-year renewable contract (Fawaz, 2003); i.e. property owners are obliged to keep the tenants for three consecutive years, if the tenants choose to stay. It is only possible to evict the tenants before the three-year term is up, by paying them large sums of money.

The uncertainty in the time of the eviction was a critical factor. The families did not know when they were going to be required to move out—whether in one month or in ten years. As a result, most of them did not dare to venture into legal contracts with tenants, since they might need the apartment before three years. Therefore, they had to keep their apartments vacant.

Still some people leased their apartments, such as Leila. Leila was evicted one year before the three-year rent contract with her tenants expired. As a result, she was obliged to rent

an apartment for 1 year, before she could move to her own apartment. Others, such as Fatima, had to stay for 6 months with her mother-in-law, waiting for the lease contract to expire.³⁷

These three aforementioned policies put together led the war-displaced to-be-evicted families to but apartments and keep them vacant. This type of vacancy had adverse effects on the war-displaced families: first, vacancy was a forgone income-generating investment that the families could have utilized to pay back their loans. Second, families who were able to secure a decent dwelling could not move to it, they had to stay several additional years in the health hazardous war-scarred locations they occupied during the war waiting to receive their compensation. It also inhibited people from starting their lives in the new reception areas until eviction. Third, in many cases it was impoverishing for the families, such as the case of Sawsan:

In 1996, Sawsan received a notice from the local party and the Ministry for the Displaced that she had to evacuate soon. As a result, Sawsan rented an apartment for \$200 in the vicinity. However, Sawsan was not evicted and did not receive the compensation money until six years later. Meanwhile, she kept paying rent for an apartment she rarely used, because she was scared to leave it in the case of sudden eviction. Sawsan had spent more money in paying rent than what she received in compensation.

III. 5 Conclusion



Fig 3-8: “The Displaced and a Few of their Life Conditions: Networks, Patrons, Bribes, and Fake Kinships: Have Evacuated Occupiers Helped Some Own Apartments”
Source: Al-Hayat newspaper, September 22, 1996.

This study shows that the monetary compensation policies that were pursued by the Lebanese government and Ministry for the Displaced had both negative and positive implications on the war-displaced families’ ability to secure housing in Beirut, and in close proximity to their families and relatives. This fact is best illustrated with the striking title of an Al-Hayat

³⁷ Interview with Leila and Fatima in Sahra Choueifat on December 24, 2004.

newspaper article (September 22, 1996). While patrons, bribes, and fake kinships, may be seen as negative implications of the compensation policy, the fact that compensation helped low-income squatters to own a legal apartment in the suburbs can be seen as positive outcome, yet not necessarily seen as such by the public, as the tone of the article conveys.

Many of the negative aspects of giving monetary compensation in postwar Lebanon echoed what scholars have identified as problems in pursuing such a policy with the urban poor. The issues raised by Cernea (1999) in the *Economics of Involuntary Resettlement* were similar to what the interviewed families reported. For example: (1) The war-displaced squatters were given official amounts of money to return to their villages in the South. These amounts were not enough to buy apartments and rebuild their livelihoods elsewhere in Beirut. In addition, families were not compensated for their commercial spaces and activities that they have developed over 20 years,³⁸ thus incurred large financial losses. (2) Both the compensation schedules and the amounts allocated were uncertain. (3) The amounts of the amenities and the timeline for the eviction were both manipulated by the larger political environment prevailing in the country. (4) Compensation 'rights' to residents were protected by political parties, who received in return part of the indemnities. (5) Families who were not affiliated to the local parties in charge received the minimum compensation. (6) Many families who received cash compensation ended up spending the money on buying furniture and paying debt, and did not secure shelters. (7) The large-scale phenomena of compensation inflated the rents and prices of affordable apartments in the limited housing market that the settlers could invest in. (8) Several families were forced to move to the informal settlements such as Hayy el Selloum and Ouzaii, where rents are more affordable but they still lack secure tenure.

Despite all the adverse effects of giving monetary compensation that are outlined above, this study shows that monetary compensation may have positive implications on the ability of the low-income war-displaced squatters to access legal housing. Such positive implication include: (1) Being under the mercy of an uncertain process of eviction and compensation, yet confident they would receive the money assured by the political parties, the people were able to plan a parallel life, and thus secure a 'legal' apartment before eviction. (2) The war-displaced families were able to choose where to relocate depending on their preferences in terms of proximity to

³⁸ Except for some cases in the Beirut Central District (An-Nahar, January 28, 1997).

employment,³⁹ such as Sahra Choueifat⁴⁰ and Kafaat. (3) Families were able to move together as a community, where sisters, brothers, and relatives bought apartments in the same complexes, such as in the AA complex. Therefore, monetary compensation policy helped them preserve their familial and community ties. It is important to note that the third point is an unusual outcome of monetary compensation policies, which usually have the potential to scatter people in the housing market.

On the other hand, by using monetary compensation to solve the problem of the war-displaced squatters, the government has reinforced the formation of religious enclaves in the geopolitical urban context of Lebanon. Since the government did not intervene in the relocation process, the families chose to move to the areas with which they identify, afford, and felt comfortable to move to, which were mainly the Shiites-inhabited neighborhoods in the southern suburbs. This is not a surprising outcome, since the study done by Kapoor, Lall, Lundberh, & Shalizi (2004) on the relocation preferences of the evicted squatters in Pune City in India, found out that it is statistically significant that people prefer to move to communities of the same caste, religion, same language. This finding is consistent with the relocation choices of the war-displaced squatters in Beirut. However, such an outcome of the displacement and compensation is detrimental to the coexistence and reconciliation efforts in post-war Lebanon, or in conflict areas in general.

Therefore, the compensation policy should have been studied more carefully before being implemented in such a conflict area, so as not to reproduce the urban spaces of war (Yahya, 1992), which in some cases it actually did. The monetary compensation that the displaced families received, supported by the political parties (Chapter IV), helped the formation of religious enclaves, and paved the way for a conflict over territory in contentious urban spaces, such as Sahra Choueifat (Chapter V).

³⁹ In fact, Sahra Choueifat is only 12 minutes by car from the city center. However, the residents who mostly do not have cars, complained about the lack of adequate transportation, this is due to the lack of attention from the authorities to the area to which they did not provide public transportation line yet.

⁴⁰ As discussed in chapter IV, the apartments that were in Sahra Choueifat did not require large sums of savings, since the politically-supported developers phased the down payment for most families.

Chapter IV: Politics in the Housing Market in Sahra Choueifat

Most of the war-displaced families I interviewed in the housing complexes and in the war-scarred areas had pictures of Amal or Hizb'Allah political parties' leaders in their living rooms. Some (who refused to talk to me) had religious slogans and pictures around their entrance doors, communicating to the visitor at first glance their affiliation, and consequently their channel to resources. They also indicate the political party that helped the family in securing their shelter.

During the war years in Lebanon, the state's social and economical institutions became dysfunctional. As a result, political parties created their own parallel institutions that ensured their supporters' adequate access to resources. The people's dependence on political parties was reinforced by the Taef agreement that ended the civil war. This accord keeps religious representation as the mode through which political figures are elected, strengthening the relationship between the religious parties and their supporters.

After the end of the war, Lebanon pursued a market-led economy that relied on the private sector and NGOs to respond to the social needs of citizens. These weak, post-war institutions, along with market economy policies, left a wide niche for the religious parties to fill as intermediaries between the low-income residents and the different state and market institutions. Some political parties developed their own welfare systems that helped low-income people obtain medicine, send their children to school, and find a shelter. They also played a significant role in improving the living conditions of residents of squatter settlements in the southern suburbs of Beirut (Harb 2001, Fawaz 1998, Fawaz 2004). However, the political parties' role in the housing market and living environment is not confined to squatter settlements, but to legal neighborhoods too. Since 1994, Hizb'Allah has supported people in installing infrastructure, helped resolve local conflicts, and provided community facilities in the legal areas the squatters had moved to, one of which is Sahra Choueifat.

The significant role of political affiliation in sustaining and improving the living conditions of squatter settlements in developing cities is well-known. People vote for the politicians. In return politicians promise them land titles or security against eviction (Fahmy 2005, Collier 1975). Yet, Sahra Choueifat is not an "informal" settlement: the buildings have

legal permits and the inhabitants are legal residents who have ownership contracts and title deeds. Such a prominent role for the political parties in the housing market of Sahra Choueifat triggers interest.

The prominent influence that the political parties had in the housing market of Sahra Choueifat, in particular Hizb'Allah, as well as their intervention in helping residents improve their living conditions reinforced the development of Sahra Choueifat as a religious enclave, in which only low-income Shiites live.

In this chapter, I will first examine the influence of the political parties on the market that led the displaced Shiite people to Sahra Choueifat, a Druze area. Second, I will illustrate the implication of political parties' intervention in securing the financial, legal, infrastructure, and community assets to the developers and residents of Sahra Choueifat by comparing two housing complexes, one politically-supported and the other market-driven.

IV.1 Moving to Sahra Choueifat: A “Channeled” Market

Most of the families I interviewed in the housing complexes of Sahra Choueifat shared the same background; they were war-displaced squatters who were evicted from the war-scarred areas of Beirut. Since political parties were influential in the post-war compensation phase, such an agglomeration of the Shiite war-displaced families in Sahra Choueifat raised questions of whether the political parties influenced the decision of residents who were displaced from Beirut Central District to relocate to areas such as Sahra Choueifat. None of the residents, developers, or political parties' members I interviewed have reported such an explicit intervention by the political parties in the post-war relocation process. Such a direct relationship proved to be nonexistent except for a few cases of families who were not able to adequately manage their finances to secure a house before eviction.¹ Based on my interviews, the displaced families' relocation to areas such as Sahra Choueifat and Kafaat took place through a market mechanism. Most of the residents for example searched for offers before they bought their apartments in the AA complex, the first large scale 300 unit complex to be built in Sahra Choueifat. Yet, the

¹ Hajj Abu Ali, a member of Hizb'Allah described the role of the party in these cases:

Most families in Hayy Madi have bought or rented apartments before they were evicted. Only the people who are unorganized and unsuccessful had waited until they were evicted to search for a shelter. These are people that we, as a political party, try to help, by indicating possible opportunities, as well as possible contacts that they can buy from or rent affordably.

market was politically influenced by several factors that made it function as a channel for these families with specific backgrounds. Such a 'market' accentuated the formation of religious enclaves by leading people from the same religious background to the same place.

I will discuss here two roles that political parties have played in creating this channeled market: (a) the urban growth strategy of the political parties, and (b) the social networks that the politically affiliated developers pursued.

a. Political Parties' Urban Growth Scheme

Although monetary compensation gave the people the liberty to choose where to live, all but a few families chose the southern suburbs of Beirut as their destination. The large number of displaced people that were relocating to the southern suburbs in the same period had put strain on the housing market. *Al-Dahiya* is already an overpopulated area. Hayy el-Selloum, for example, has a density of 1,200 inhabitants per hectare (Fawaz, 2004). Such a sizable increase in the housing demand necessitated *Al-Dahiya's* expansion. Yet, *Al-Dahiya* was landlocked and surrounded by highways from all sides. Amid the pressing need to house a large number of low-income families, the only possible extension of the Shiite area in the southern suburbs was to extend to the open fields south of Hayy el-Selloum, which is Sahra Choueifat (see Chapter II). Such a contentious extension of a Shiite area into a Druze territory could only happen through a high-level political decision, which was made by the Shiite political parties without prior consent of the Choueifat residents and officials. Once this initial step was taken, the market took its course and housing complexes started developing. The expansion took place legally through buying land from the original owners.

The extension of *Al-Dahiya* towards Sahra Choueifat, manifested by large-scale low-cost housing complexes that mushroomed in the area, alarmed the Druze residents who saw it as a threat, fearing to lose their territory to the Shiites. According to all five Choueifat residents I interviewed, Hizb'Allah had a master plan in which it divided Sahra Choueifat into two parts: a Shiite west and a Druze east.² Such a claim was asserted by two Hizb'Allah party members who told me that, "Sahra Choueifat is the natural extension of *Al-Dahiya*."

² All interviewed individuals echoed the same story that has spread in the neighborhoods of Choueifat. Quoting a bakery owner:

Sahra Choueifat, being a non-residential area, necessitated the financial intervention of political parties to encourage developers to start building there. The first two complexes were built by developers who are known to be affiliated to Hizb'Allah. These two religiously polarized developments were followed by several market-driven ones.

The developers who were subsidized by the political parties provided cheap housing units for \$18,000 each. The units were even cheaper than those sold in Hayy el-Selloum, the adjacent informal settlement, where apartments were sold for \$28,000 (Fawaz, 2004). Such low prices, with good repayment schemes, attracted the low-income war-displaced Shiite families in Beirut, who were on the verge of eviction, did not have stable jobs, and were uncertain about the amount and time of compensation.

b. The Social Networks

The families that came to the financially supported developers were recruited through social networks. For example, the AA developers sold their apartments without using private advertisement mechanisms. According to Hajj L,³ while the developers of other complexes, such as Baraket and Al-Jawad,⁴ were advertising their complexes on TV and radio stations, the AA developers did not spend any money on such advertisements. Instead, they relied on three forms of social networks to attract their clientele: their philanthropic attitude, their intermediaries, and the ticketing system.

First, the AA donated two of their twelve buildings to the 'Organization for the Martyr' and 'Al-Jarih', two Hizb'Allah institutions that support the families of the party members who died or were injured during the civil war or while fighting the Israeli occupation in the South. This attracted families who wanted to encourage the philanthropic support of the AA to Hizb'Allah; and resonated well mainly with Shiite families who support Hizb'Allah.⁵

Second, many party members and relatives played the role of intermediaries between the clients and the developers. About four-fifths of the people⁶ that I asked how they knew about

One day a well-known Hizb'Allah engineer carrying a map of Sahra Choueifat visited the Municipality of Choueifat, where he showed the director the map with a line that subdivided the area into two pieces along the Pepsi road, announcing that the west area would be Shiite, while the rest would remain Druze.

³ One of the AA housing complexes' developers

⁴ Both Complexes are located in Hayy el-Selloum

⁵ It might have been a form of *Zakat*. 2.5% of a Muslim's wealth should be paid as *Zakat*: money for the poor.

⁶ A few others say that they are originally from the same region as the Hajj himself. It is very interesting that many residents who bought their apartments from Hajj L through 'rural linkages' did not even know where their

AA's housing complexes in Sahra Choueifat answered that the AA developers were recommended by either kinship, neighbors, friends, or shop owners as loyal and truthful developers who "fear God." Intermediaries played a large role in disseminating information about AA amidst the war-displaced communities. The entire exchange was based on trusting the intermediary persons that recommended Hajj L as a 'loyal' developer. At the same time, these intermediaries could assure Hajj L that the prospective clients were well-respected people who would honor their debts. Since most of the people living in the war-scarred neighborhoods were interconnected through kinship and familial relations, it did not take long before most of the families from that area bought apartments in Hajj L's complexes.

Third, some developers employed business mechanisms that attracted more people of the same background. The AA developers used what they called the 'ticketing system' to motivate the people who already bought apartments to encourage their relatives and friends to buy from the AA developers as well. The ticketing system reduces a customer's payment by \$300 for every person he or she would convince to buy an apartment from the same developer. In this way, people brought their family members, neighbors in displacement, and their friends to buy from the AA developers. Hadia,⁷ who had convinced eight of her acquaintances to buy apartments from Hajj L, had her first year monthly payments waived. Ticketing was a successful private business strategy that channeled the Shiite population from the war-scarred areas to Sahra Choueifat.

All three forms of social networks (the intermediaries, the ticketing system, and the philanthropic attitude of the developers) attracted entire communities to relocate to Sahra Choueifat, one of which is the community of war-displaced people, who at that time were searching for cheap apartments and a place to relocate with their extended family, relatives, and neighbors. The fact that the developers did not use usual advertisement mechanisms left a rare possibility that random people from the outside would buy apartments in the complexes. In fact, during my fieldwork, I often found agglomerations of four or five apartments that are all owned by the descendants of one family. Although such a selling strategy helped communities to

apartments were located, or what they looked like. All they knew was that the apartments were cheap and that they were located in 'Choueifat'. Sometimes this blind trust was regretted; as one of the residents said: "He told me it is located in Choueifat, but Sahra Choueifat is not the same, I feel I should have paid less for such location, the name makes a \$5000 difference."

⁷ Interview with Hadia on January 4, 2005 in the AA complex's open space.

relocate together, it also initiated the formation of a Shiite religious enclave in the Druze Sahra Choueifat.

IV.2 Politically Supported vs. Market Driven Housing: a Comparison

Shiite political parties have assumed a prominent role in providing services for the developers and residents of Sahra Choueifat. Although the incoming war-displaced families became legal residents in the area, being of a different religious background than the original Druze residents of neighboring Choueifat caused many conflicts that necessitated the intervention of the political parties in helping the incoming residents maintain a decent living environment. In order to discuss the implication of the political parties' interventions in the housing market, I will compare two Sahra Choueifat housing complexes: (A) the AA complex, which is a Hizb'Allah-supported investment, and (B) the DB complex, which is a market-led investment.

a. Case A: The AA Residential Complex



Fig. 3-1: The AA complex

The AA complex (Fig 3-1) is the first residential complex developed in Sahra Choueifat by the AA developers, the oldest and most famous developers in the area. This 300-unit complex is the largest complex in the area. It is located on the northern part of Sahra Choueifat, the closest to Hayy El Selloum and is composed of twelve buildings that were built on a 15,350 m² land. This is the first piece of land that started the 'domino effect', opening the way for other Shiite developers to buy land in Sahra Choueifat. The complex has a large 3,000m² open space

in the middle used as a parking lot and a place where the youth associate. The apartments are a mix of two-room and three-room apartments that were sold for \$18,000 and \$22,000 respectively.

During my field work I met separately two of the AA developers: Hajj L in August 2004, and Hajj H in January 2005. When I asked both Hajjs about what encouraged them to invest in low-cost housing, which is a rare phenomenon in Beirut, both developers described their goal as providing shelter for the poor without profit. Hajj L and Hajj H attributed the success of their business to the fact that they secured low-income affordable housing by purging on management costs and capitalizing on economies of scale, and selling at cost price, a strategy not usually used by profit-seeking developers.

Although the developers did not give me a definite answer as to whether they are affiliated with Hizb'Allah, according to the residents of Sahra Choueifat⁸ and Choueifat, as well as the municipality officials, AA's developers are prominent members of Hizb'Allah and have received financial support from Hizb'Allah to invest in Sahra Choueifat.⁹ The party helped the AA developers by giving them no interest loans from Bank Sadirat Iran¹⁰ or other Hizb'Allah affiliated Banks in Lebanon.¹¹ Several scholars who discussed issues related to the housing markets in the southern suburbs referred to the AA developer as a Hizb'Allah NGO (Fawaz, 2004), or politically affiliated community-based organization (CBO) that encouraged housing development in Sahra Choueifat (Abed, 2000).

The residents' relation with the AA developers seemed positive. Hajj L, who handled the public relations with the clients, was described very often as a loyal man. All of the interviewed residents reported that their experience with the AA company was rewarding. First, the company was lenient with the amounts and the deadlines of the installments. Second, they offered a good price and easy payment programs. The AA developers redefined the concept of down-payment for the people who could not afford it. Instead of the initial \$6000, people had to commit to pay

⁸ Imm Ali who lives on the top floor, was complaining about the rainwater leaking from the ceiling. She said that she cannot ask the Hajj who lives in that building (referring to Hajj H) to fix it since she already paid him all the installments, and now she can not reach him to complain, because he is protected by Hizb'Allah. Interview on August 15, 2004.

⁹ Moreover, 65% of the residents, I interviewed in Sahra Choueifat, 100% of the residents I interviewed in Choueifat, and the three officials I interviewed in the municipality have ascertained that the developers are important figures in Hizb'Allah.

¹⁰ Bank Sadirat Iran is an Islamic bank.

¹¹ Interview with Mr. N on January 4, 2005.

monthly installments of \$180-\$220, and yearly payments of \$1,200 paid in the end of each year for five years, which replaced the down payment. Third, all the residents acquired a legal “surveyed purchase contract” which they could use to register their apartments. This is a 10-year contract between the developers and the clients written as soon as the residents finish paying their installments and is the most common form of contract in Sahra Choueifat. It is a legal contract¹² that allows people to stay for ten years in their apartment without registering it at the property registry. After ten years, if the residents do not register the apartment, the apartment could be legally retrieved by the developer who could sell it to a third party without compensating the residents. Since most families did not face serious legal problems with the developers, they learned to trust the AA. Therefore, most residents have maintained this contract and have not registered yet due to the high costs of registration.

Still there were few complaints regarding the physical dimensions of the complex. Many of the residents complained about the low quality of the paint that needs to be redone every year during the rainy season. Others complained about the piping quality and the sanitation problems in their apartments. However, in general and in comparison to other surrounding housing complexes, the residents were satisfied by the housing unit quality and the open spaces provided.

b. Case B: The DB Residential Complex



Fig 3-2: The DB Complex in January 10, 2005. The picture on the right depicts a personalized entrance in one of the un-finished buildings.

¹² It is important to note that this contract is legal, but it is not yet a complete form of property rights. Many people mistakenly refer to it as illegal.

The DB complex (Fig.3-2) was built in 1997, in the southern part of Sahra Choueifat and is composed of five buildings. The price of a 3-room housing unit was \$28,000 on average¹³ in 1997. The 45-unit complex was not finished when the developer handed the residents the apartments. Thus, the residents of each building had to finish the construction themselves. Therefore, the level of completion of each of the five buildings varies depending on the income and profession of the residents. Until recently, the complex did not have electricity, water, and sanitation networks, and the open space between the buildings was left with dirt and no pavement.

Contrary to the AA complex, the DB complex was built by Mr. B, who is a civil engineer.¹⁴ He decided to invest privately in low-cost housing development in Sahra Choueifat after the first AA 300-unit complex proved successful. In contrast to the AA complex, DB complex suffers from major construction, services, and tenure problems. First, the complex is of very low construction quality. It does not have exterior finishing, elevators, water pipes, or sanitation networks. After living for eight years with no water or electricity, residents recently installed the building services themselves. Second, most residents complained of entangled property rights, due to the fact that the developer had sold several apartments to multiple clients.¹⁵ The residents also do not have tenure security. Initially, Mr. B was granted his building permit, which includes a permission for an additional floor known as the *murr* or “displaced” floor. However, this policy was cancelled before Mr. B finished construction, which jeopardized the legal status of the complex.¹⁶ Therefore, the developer could not subdivide the complex into separate title deeds for each apartment. Trapped in this situation, the residents did

¹³ The same size apartments in AA were sold for \$22,000.

¹⁴ Unfortunately, I was not able to interview Mr. B, nor the landowner, who is currently responsible for the complex

¹⁵ Many people in DB complexes reported that the developer sold the apartments two or three times to different people. Selling the apartment for multiple families has been a phenomenon that many families were the victim of in the housing market of Beirut and its suburbs. This happened for several reasons including the fact that developers such as Mr. DB, entered the market with little capital, and depended on getting the land through partnership with landowners, and on getting the initial capital for construction from the clients’ down payments private bank loans. The recession starting 1996 forced them to default by selling the same apartment to several families and receiving multiple down payments for the same apartment. Few developers did that in the hope to save themselves from bankruptcy and consequently jail.

¹⁶ The fifth floor was an additional floor known initially as *murr* floor and as the ‘the displaced floor’ in post-war Lebanon. The policy intended to encourage the developers to build more houses for the displaced by allowing them to build one additional residential floor than what the zoning law of the area decrees. Mr. B had already sold the apartments of the fifth floor to clients. However, he could not deliver the houses after the cancellation of the permit. Moreover, he was not able to compensate them or to buy them apartments elsewhere because he was almost bankrupt. The Lebanese property law considers the complex as one entity, before it is subdivided. Therefore, the other residents cannot receive separate title deeds until the case of the fifth floor in the fifth building is solved.

not obtain title deeds to their apartments and consequently has not been able to sell or mortgage their apartments. Technically, they do not 'own' the apartments to be able to sell them. The situation of the DB complex residents was best explained by Rabah, a young man who lives on the 1st floor of the fifth building: "after years of living in displacement, we decided to spend large sums of money to own a house and become legal residents. We ended up in Sahra Choueifat without a title deed, where we are still squatters in the eyes of the law."

Rabah is one of the extremely active residents in the apartment complex. Trained as an electrician, he was capable of informally hooking the complex to the electricity network, after which he built an electrical room needed to get a legal connection. He was in charge of collecting money from the residents to build an electrical room, a septic tank, and recently to link the complex to the infrastructure network. Moreover, Rabah managed to pave the open area of the complex by using his social networks. He asked his friend who works for the adjacent concrete factory, to contact him whenever he had leftover concrete in his machine, which he used to pave the area for the children to play.

By comparing the two housing complexes, the AA and the DB, it is apparent that the quality of housing in the AA complex is much better than that of the DB. The AA developers, who were financially supported by Hizb'Allah, were able to deliver better housing. Their complexes, albeit the cheapest in the area, have adequate construction quality and tenure security. Mr. B, on the other hand, whose investment in Sahra Choueifat was market-driven, defaulted and was not able to honor his commitments. He failed to provide his clients with adequate shelters or title deeds.

The DB Complex is not a unique case in Sahra Choueifat. Other complexes were also left unfinished by their developers. Among the eight complexes I visited in Sahra Choueifat, only a few did not default in delivering what they promised. For example, families who bought apartments in the FD complex had to rent for four years waiting for their apartments to be completed. Most of these developers had declared their own bankruptcy. The complexes are currently being managed by banks that initially supplied the capital for the developers' investments. The comparison suggests that low-cost housing production in Beirut and its suburbs may not be possible without any subsidies or financial support to the developers. The market-led economy approach that the state government has adopted failed to provide housing

for the poor. Developers who ventured in building low-cost housing in Sahra Choueifat, without any financial support, did not provide the tenure necessary for the residents to become legal residents, leaving them “squatters in the eyes of the law.”

The successful story of the AA developers is coming to an end since they are no longer investing in large-scale affordable residential complexes. According to Hajj H, the company lost large sums of money by investing in this section of the housing market. Currently, they have confined their business to a few scattered middle-income buildings. When we met Hajj L in August 2004, he was preparing to migrate with his family to Canada.¹⁷ Such an ending for the AA developers, who were praised for their philanthropic work, leniency, and professionalism in helping people secure shelters, has critical implications on the delivery of low-cost housing in Lebanon. Even when the developers were financially supported by the political parties, they were only able to provide adequate low-cost housing for a short period of time after which their investment in the sector proved to be unsustainable. Currently, very few developers are investing in this section of the market. Amid the high demand, the prices for such apartments are escalating. The war-displaced squatters who have been recently evicted bought apartments in Kafaat for \$32,000, apartments that are without water, electricity, or sanitation. Other war-displaced families, who cannot afford to relocate to Kafaat, are moving to the informal settlements.

IV.3 Political Intervention in the Sahra Choueifat: Services

In this section, I will discuss the interventions, services, and political gains that the political parties, mainly Hizb'Allah, had undertaken in Sahra Choueifat. Among these interventions are (a) giving financial services to both residents and developers, (b) helping both the developers and residents in installing infrastructure, (c) providing a court that both the residents and developers use to solve their problems, (d) building community assets, and (e) negotiating with local government for services.

¹⁷ In January 2005, I visited Hajj L's office to find out that he already left the country to Canada.

a. Financial Services to Developers and Residents

i. Loans to Developers: the case of the AA developers:

As discussed above in the case studies, Hizb'Allah financially helped some developers, such as the AA, to start building in Sahra Choueifat through giving them long-term loans with no interest. The financial help given to the AA developers helped them sustain their good service to the residents and they did not default nor sell the same apartment to several people in attempt to get money to complete the buildings. In addition to loans, the party helped the developers sell their apartments by tapping onto the party's social networks through its members, supporters, and resources.

ii. Loans to Residents:

In general, Hizb'Allah has its own loan structure, through Beit Al-Mal Institution, which is composed of several institutions including The Hasan Loan Institution and Al-Yusor for Finance and Investment. The estimated funds are in the range of \$5 million each year given for income-generating activities, as well as for production and consumption projects (Hamze, 2001). Several interviewed families reported that they borrowed money from The Hasan Loan to pay their housing installments when they had faced financial crisis and could not pay the developers. Loans were in the range of \$300-\$500, which mature after one year. The borrowers did not have to have stable jobs or title deeds to receive the loans, instead they could mortgage any physical asset they have.¹⁸

b. Political Parties Help in Infrastructure

Before the AA complex was built, Sahra Choueifat was an agricultural land, not prepared to be urbanized. Installing an infrastructure there would have entailed large sums of money on the part of the municipality. Moreover, installing infrastructure in Sahra Choueifat would have encouraged more intense development of the Shiites in the area, a result the municipality did not want to promote. Therefore, Hizb'Allah had to intervene twice in solving the infrastructure problems in 1995, and again in 2003. In 1995, the party helped the developers install a sanitation

¹⁸ The most common ones are: the wife's dowry in gold and the families' car if they have one.

network in the northern part of Sahra Choueifat next to Hayy el-Selloum. In 2003, Hizb'Allah helped the residents install a sanitation network in the southern part of Sahra Choueifat.

i. Developers' Infrastructure Network in 1995:

In 1994, Sahra Choueifat was agricultural land that did not have an infrastructure network suitable for residential purposes. Early residents in the AA complex told me that in the first three years, filth and garbage were filling the area and mosquitoes were everywhere; "Living here was like living in dirt swaps, it was mainly a dump." As the number of inhabitants increased, the situation became worse. In response to the numerous residents' complaints regarding the environmental degradation of the area, the developers with the support of Hizb'Allah formed a developers' neighborhood association, which was in charge of planning and installing a proper infrastructure network to improve the living conditions of the newly urbanized area in the northern part of Sahra Choueifat. The cost was divided among the developers, the residents, and the party. Each apartment had to pay a \$100 fee. The municipality did not have a role in this project. Through the financial support and coordination role of Hizb'Allah, a new infrastructure network was installed.

ii. Residents Infrastructure Network in 2004:

Around 1997, housing development in the southern part of Sahra Choueifat started, an area which also did not have an infrastructure network. Both the DB complex and a second AA (2) complex are located there. The AA (2) complex had septic tanks. However, the DB complex did not. The residents of the AA (2) complex were complaining about environmental problems caused by the malfunctioning of the septic tank. In addition, the septic tanks were incurring problems to the adjacent agricultural fields. In 2003, the environmental situation became unbearable. As a result, the residents of the complex with the help of the AA developers backed up by Hizb'Allah exerted pressure on the Choueifat municipality to approve their project to install a sanitation pipe that connects the complex to the municipality network on the main Tiro road several hundred meters away. Each apartment household had to pay a fee to build the network. Later on, the residents of the DB complex took permission from the political party to connect to the installed network. Each apartment household paid \$50 or more.

Despite the fact that Sahra Choueifat is a legally-developed area, the conditions of development necessitated the intervention of political parties in the infrastructure provision, in a similar way to their intervention in the adjacent Shiite informal settlement of Hayy el-Selloum¹⁹ (Fawaz, 2004). The political parties' proactive role in service provision, which is usually the main task of the municipality, contributed to widening the gap between the residents and the local government. Instead of paying yearly municipal fees for the municipality to install basic services, people are paying the political parties. The residents believe that the parties will ensure them better and cheaper access to services than the municipality.

c. Solving Problems through Political Parties' Court System:

Hizb'Allah has a court of its own that helps both the residents and the developers solve their problems and preserve their rights, without having to resort to the state courts which are in most cases expensive and inefficient (Fawaz, 2004). Most residents as well as developers said that they were willing to use the court when they face problems. The court helps them settle disputes regarding money, defaults, and delays in delivery. It is of use to both the developers and their clients.

d. Building Community Assets: A basketball court and a Mosque

Since my first visit to Sahra Choueifat in August 2004, several community projects have been built in the area. For example, Hizb'Allah bought land adjacent to the DB and the AA (2) complexes and turned it into a basketball court for the youth to hang out, the first community facility in the area (Fig. 3-4). Moreover, a mosque has been newly built there (Fig 3-5).

e. Negotiation with Local Government for Services

In Sahra Choueifat, the parties negotiate with the municipality the delivery of streetlights, pavements, and phone lines for both neighborhoods, in a continuous exchange of favors between both factions.

¹⁹ In Hayy el-Selloum as well the residents formed a neighborhood association to lobby for and install infrastructure and adequate transportation networks.

Access to low-income housing in Sahra Choueifat through political parties was successful because Hizb'Allah had a parallel governance structure and a comprehensive system of services that improved the living conditions of the families, services that the Lebanese state government did not provide. The party's parallel governance structure has provided both the legal and financial frameworks, which ensured the proper functioning of the market between the residents and developers. Services such as microfinance for low-income families who do not have stable jobs enabled the lowest income section of the population to secure installments in bad times. Moreover, the court allowed the developers and residents to solve their problems without resorting to the state court. The financial services to a few developers enabled the developers to create programs fostering small yearly payments instead of a large initial down payment. By phasing it over five years, they removed the barrier to entry to housing for the lowest income. Therefore, people in need of shelter were only required to pay initially \$180-\$220 per month, rather than a startup sum of \$6,000.

IV.4 The Implication of the Political intervention in Sahra Choueifat: Defining territory

Although the political parties have secured better housing for their supporters, and have provided them with the services needed to improve their living conditions, this role of the political parties has reinforced Sahra Choueifat as a Shiite religious enclave. The formation of the religious enclave was particularly strengthened by the political parties' role as a mediator between the local government and residents, as well as by spatial practices that have been delineating territory and excluding others.

a. Political Parties as Mediators: The Formation of Shiite enclaves

By providing services to the residents and developers, the political parties became the main power broker in Sahra Choueifat, continuously mediating between the residents and the municipality. The mediator role that the political parties have been playing encouraged the residents not to pay their municipal fees, and depend instead on the parties to help them improve their living conditions. This was often achieved by asking the municipality for "favors." For example, as discussed in the DB case, the party had to help the people install infrastructure by

asking the municipality for an approval for the project. The ongoing mediation between the political parties' supporters and the state institutions²⁰ reinforces the formation of Shiite enclaves, as it strengthens the role of political parties as representatives of the community and attracts more people of the same background to the area. The political parties remain in control by reinforcing their supporters' identity as marginalized, in need of power to secure their rights.

b. Territorial Practices

The fact that Sahra Choueifat buildings are only inhabited by Shiites, and controlled by Shiite political parties, has created tension between the incoming Shiites and the original Druze residents. However, the spatial practices of the political parties have been exacerbating the conflict over territory. For example, in 2004, the two rival groups had a media-covered fight over the location of a concrete structure with pictures of martyrs, leaders, and religious quotations that Hizb'Allah had erected over the Tiro road, demarcating Sahra Choueifat as a Shiite area. The Druze residents, angered by such bold demarcation of territory, a territory that was theirs, protested in front of the structure, causing riots. These riots necessitated a compromised solution where Hizb'Allah moved its commemorative structure slightly back, hence decreasing the area that was declared as a Shiite territory. Such practices excluded non-Shiites from moving to Sahra Choueifat and reinforced the area as a religious enclave, where only the Shiites live.

c. Housing Development as a Tool for Urban Acquisition:

Low-cost housing development was the tool with which the political parties extended *Al-Dahiya* to Sahra Choueifat. The politically supported developers executed the urban growth scheme of Hizb'Allah through building housing projects and encouraging Shiite families to buy



Fig 3-3: The new AA development in Choueifat.

²⁰ The mediation role of the political parties between the war-displaced and the government started in the compensation phase.

them. This form of urban acquisition not only defined the Shiite territory in Sahra Choueifat, but was also used to initiate a Shiite residential presence in Choueifat itself (Fig. 3-3).

A new AA complex is under construction in the town of Choueifat,²¹ in Al-Omara neighborhood. This project is the first Shiite ‘puncture’ in the urban context of Choueifat, which may be the first attempt to extend the middle-income Shiite community to Choueifat. The relationship between developers and political parties is very revealing: housing becomes the tool through which political factions carry their cold war in urban Beirut.



Fig. 3-4: The Basketball court

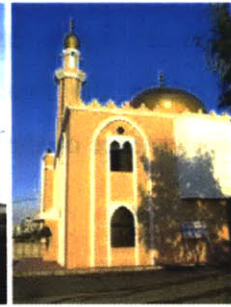


Fig. 3-5: The Fardaws Mosque

IV.5 Conclusion

The intervention of political parties is commonly believed to impede the proper functioning of markets, and do not ensure that the clients receive the best quality possible for a given price. Yet, this study shows that the political intervention in the housing market of Sahra Choueifat secured much higher quality housing for the poor than the developments that were market-driven. Complexes that were financially-supported by Hizb'Allah provided better tenure security, better open spaces, and better quality of services. On the other hand, developers who were market-driven left the residents without open spaces, infrastructure, or title deeds. In the eyes of the law, the residents in these complexes are still squatters.

²¹ One of the residents told me that since Sahra Choueifat's zoning law was put under study, during which construction was prohibited, the developers decided instead to build middle-income apartments in Choueifat.

Moreover, the political parties' autonomous governance structure provided the environment necessary to ensure proper transactions between the developers and the residents. This governance structure provided both the legal and the financial services, which were capable of replacing the state's inefficient services. Moreover, the parties' comprehensive service system enabled the low-income war-displaced family to secure a shelter and improve their living conditions in Sahra Choueifat.

Nevertheless, the intervention of the political parties in the housing market reinforced the formation of religious enclaves that exacerbated the conflict over territory between the incoming Shiite residents and the original Druze residents. It also positioned the parties as mediators between the residents and the local government, a condition that impeded the direct interaction between the two groups, which if achieved might have reduced conflict and enhanced coexistence on the neighborhood level.

Chapter V: The Conflict Over Territory: Zoning, Voting and Services

The post-war monetary compensation and the Shiite political parties' intervention in the housing market, combined with weak government institutions, all contributed to the formation of religious enclaves in Beirut's urban space. A predominantly Druze area, Sahra Choueifat¹ is one of the areas to which the Shiite war-displaced families relocated after being evicted from post-war reconstruction projects starting 1992.

Settling of the Shiites in Sahra Choueifat did not go unnoticed. In 1995, the original Choueifat residents started to feel the mass settlement of Shiite families in large-scale low-cost housing projects that were mushrooming in the area, a situation that alarmed the residents, politicians, and later the municipality officials for fear of losing their political power over the area.

Most Choueifat residents consider Sahra Choueifat as an extension of Hayy el-Selloum, despite the main differences in the property rights; while Hayy el-Selloum is considered an informal settlement, Sahra Choueifat is a legally-developed area (Fig. 5-1). However, original residents' feelings are not based on whether the area is "legal" or "illegal," the differentiation is based on religious factions' claims over the Sahra Choueifat territory, a Druze versus a Shiite territory, which has spurred conflict on the local level of the neighborhood.

In order to discourage the Shiite families from relocating to the area, "legal" tools were implemented. This chapter will discuss zoning laws, voting rights and service provisions through which the conflict over territory has been manifested.



Fig. 5-1: Sahra Choueifat, the area of study

¹ As mentioned before, Sahra Choueifat has been considered for Shiite extension several times before; however, the presence of the Druze there had impeded such an expansion (see Chapter II).

V.1 The Power of Zoning in the Conflict over Territory

a. Phases of Zoning:

i. An Agricultural/Residential Sahra Choueifat

The development of Sahra Choueifat from an olive grove to a residential area was triggered by Ecochard's zoning project for Beirut and its suburbs in 1964-1972. According to a former municipality planner, the first zoning law for Sahra Choueifat dates back to law no. 1332 in 1971 (Fig 5-2). This law instated Sahra Choueifat as a residential area with a 300m wide industrial strip along its airport edge. Olive harvesting, the main agricultural activity in which most residents of Choueifat were indulged,

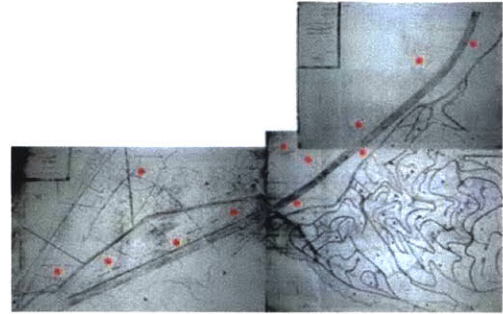


Fig.5-2: Zoning law of January 20, 1971. The map shows that Sahra Choueifat was zoned as residential area A2 (in red circles). A2 allows for 20% surface exploitation and 80% built up area.

was not taken into consideration when the area was zoned as residential. The picture below (Fig. 5-3) shows Sahra Choueifat's olive grove in the 1960s. The area did not develop as residential settlement until post-war reconstruction started, when the war-displaced Shiite relocated to the area. This picture is framed on the walls of all municipality offices with this statement: "Sahra Choueifat when it was an Olive Grove!" Portraying Sahra Choueifat as a beautiful olive area that was replaced by residential development is a political statement by local officials, who are against the current Shiite residential development of Sahra Choueifat.



Fig. 5-3: The Olive Grove of Sahra Choueifat; a picture from the late 1960s.

Sahra Choueifat landowners continued harvesting their olives, up until the Israeli invasion of Beirut in 1982, when the Israeli forces destroyed the area's olive trees in order to

prevent the attacks of the Shiite guerillas from the adjacent suburbs, mainly Hayy El-Selloum (Abed, 2001). Since then, landowners have invested in other agriculture activities, such as growing vegetables and fruits for sale.

During the civil war, due to forced population displacement, Sahra Choueifat became an exclusively Druze area. The growth rate of the Choueifat Druze population did not necessitate additional residential stock, which was sufficiently contained in the three hills of Choueifat; AL-Omara, Amrouseyyieh, and Al-Qobbeh. Instead, Sahra Choueifat became a major industrial and agricultural zone in West Beirut. The threat of residential development, on the other hand, came from the neighboring Hayy El-Selloum. However, Choueifat being an exclusively Druze war zone inhibited the Shiite informal settlements from growing in that direction.

In 1993, after the end of the war, Sahra Choueifat witnessed a rapid residential development of low-cost housing complexes. The first complex was the 300-unit AA complex, which attracted the war-displaced Shiite population. Although the municipality officials,² at that time, were aware of the large-scale Shiite residential developments in Sahra Choueifat due to the large number of building permits they were signing, they were not “alarmed” by the extension of the Shiite area to Sahra Choueifat, and consequently did not do anything to stop the process.

Mr. Y,³ a prominent member of the municipality at that time and a locally controversial figure, attributed the residential development in the area to a normal urban growth phenomena dictated by the cheap price of land that existed back then in the Sahra Choueifat area (\$61/m²); i.e. that the developments do not have any political or religious implications. He described the role of the municipality at that time:

Our job was to give building permissions, ensure proper implementation of the building permits, monitor the construction to avoid illegal construction, and collect money for the municipality to start post-war reconstruction projects. The municipality’s main source of income was from issuing building permits. Moreover, our brothers, the Shiites, were already in Hayy el-Selloum, they are not new in the area, so why would it be political?”

Moreover, Mr. Y justified his lack of concern by the rapid residential development of Sahra Choueifat, due to an urgent municipal financial situation. According to him, the initial stages of the postwar period demanded from the municipality large sums of money to start the post-war reconstruction and developmental projects in the town (which was questioned by the

² Municipal elections were frozen during the war. This municipal board was appointed.

³ I interviewed Mr. Y in his house on January 7, 2005.

former mayor quoted below). These funds were attained through collecting residential building permits fees, which were a major source of income for the municipality.

Barely emerging from a civil war with the Shiite, the municipality's indifference to the rapid mushrooming of residential low-cost complexes sounded like an unrealistic scenario for many Choueifat residents to believe, who are skeptical about the policies and personal gains of the former cabinet officials, including Mr. Y. Most people believe that he received side-payments in the process of approving permits for the Shiite residential developments in Sahra Choueifat. In fact, this municipal cabinet was later charged with fraud. The issue of Shiite development became the one of the main items on the agenda of the two subsequent municipal cabinets.

ii. Sahra Choueifat: from Residential to Industrial

In 1995-1996, the displaced families from the Beirut Central District area were already in the process of receiving monetary compensations and relocating to Sahra Choueifat. Meanwhile, the political figures and landowners became concerned with the "unorganized" growth of the area, and they started lobbying to change the Sahra Choueifat area to an industrial zone in order to stop the residential growth. At the same time, the post-war reconstruction and economical growth for the country was its peak, which led other business groups to be interested in developing Sahra Choueifat as an industrial area as well.

Three main factors contributed to the formation of a lobby to change Sahra Choueifat to an industrial area: (1) the cheap price of industrial land in Sahra Choueifat compared to other industrial areas in the suburbs of Beirut,⁴ which attracted industrialists; (2) the higher return from industrial land compared to residential land prices in the area, which attracted landowners; (3) and a zoning law that prevented the growth of the Shiite settlement, which attracted Choueifat residents and politicians.

The lobby to rezone the area as an industrial zone included areas that were already inhabited, and lots where the construction of residential buildings were already underway. In 1996, the Directorate General of Urbanism, the Lebanese planning institution,⁵ hired a planning

⁴ During the war years, the industrial east suburbs have matured, and their land prices skyrocketed.

⁵ DGU is the main public institution that deals with the zoning and development on all Lebanese territories,

company to revise the zoning of the area. According to Mr. E,⁶ who worked on the initial phases of the re-zoning, three stakeholders influenced the re-zoning process in 1996:

- **IDAL (The Investment Development Authority of Lebanon):**⁷ Amid the expectations for high industrial growth, the cheap land in Sahra Choueifat prompted IDAL, along with the Lebanese Industrialists Association, to secure cheap industrial areas close to Beirut, in which industrialists could expand their businesses.

- **Landowners and Local Politicians:** At the same time, the price for industrial land was much higher than residential land, which prompted landowners, who are mostly Choueifat's residents, to support the rezoning to ensure higher returns on properties. This served both ends, higher profits and stopping the expansion of the Shiite residential settlement.

- **Urban Planners:** Under the requests of the industrials and the landowners, the planners working on the area faced a challenge, which at face value, required zoning an already residentially-inhabited area to an industrial one, which would have created an intoxicated and polluted area for the 500 or so families already living in Sahra Choueifat, and the 100,000 individuals living in Hayy el-Selloum.

The planners rezoned the empty areas of Sahra Choueifat to industrial. However, they suggested zoning the areas that were already inhabited under a new category called Zone "T," a light industrial zone, where residential development was not allowed. This category was created for the special case of Sahra Choueifat, (Fig. 5-4).

According to Mr. E, this zone was created to solve the contention. Zone T, which stands for a "transition zone" intended to postpone the decision to zone the area until it was clear which land use would be the best fit for the area, "it is

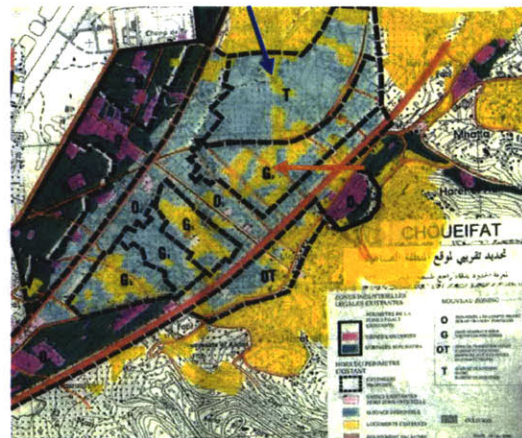


Fig 5-4: 1996 zoning scheme showing the zone 'T' as a buffer zone between Hayy el-Selloum and Sahra Choueifat (blue arrow). G2, G3, OT and O2 are varied industrial zones. The yellow areas show the residential complexes, many of which still fall within industrially-zoned areas (red arrow).

⁶ Interview with Mr. E. an urban planner, in August 14, 2004. Mr. E worked on the zoning of Sahra Choueifat

⁷ IDAL is a Lebanese public-private organization which promotes investment on the Lebanese territories, including promoting and accommodating industrial growth.

mainly a reserved zone where urbanization is delayed, a zone frozen in time, and which will be revisited later, informed by the development in the surrounding.”

Zone T, which only allowed for the development of light industries such as carpentry and car mechanics, as well as offices, was not approved by the landowners whose land would be devalued and not utilized. As a result, the 1996 rezoning proposal was rejected; instead, the DGU placed Sahra Choueifat “under study.”⁸ According to the zoning law, areas that need to be zoned or re-zoned can be placed under study for one year, renewable for another year, after which it has to be zoned (Fawaz, 1993). During that period, building permits or reconfiguration of the land plots are not allowed. However, the ‘under study’ condition for Sahra Choueifat remained from 1996 until 2004. Therefore, since 1996, building permits in Sahra Choueifat have not been allowed.⁹ However, construction continued with previously acquired permits.¹⁰

In 1998, a new municipality was elected. As soon as the new municipality came to power, a task force, led by the president of the municipality, formulated an official local government campaign to stop residential construction, and restarted the lobby to rezone the areas as industrial. In 2003, another municipal cabinet was elected pursuing similar strategies for Sahra Choueifat.

iii. Territorial Claims in Zoning

While this attempt to change Sahra Choueifat to an industrial zone may seem like a normal outcome of market rationale and profit-maximizing behavior on the part of the landowners and industrialists, the idea of creating an industrial zone in Sahra Choueifat is not new. In *Methodological and Political Issues in the Lebanese Planning Experience*, Verdeil (2004) discusses the Schema Directeur de la Region Metropolitaine (SDRMB), a zoning plan developed after the Israeli invasion in 1982 and finalized in 1986, but which was not officially approved. In analyzing the impact of the war division lines on the SDRMB scheme, Verdeil gives Sahra Choueifat as an example to illustrate his point:

⁸ In order for an area to be put under study, it should be passed as a law by the minister of public works and transportation after taking the opinions of both the concerned municipality and the DGU

⁹ A former official told me that many people bribed officials to get permits after 1996 with dates before that year, which allowed them to build there.

¹⁰ According to an official in the Municipality, many developers with the help of municipality employees, illegally changed the dates of their building permits that were taken after 1996 to dates before 1996.

For instance, the location of an industrial zone in Choueifat between the Shiite and Druze areas best illustrates the overlap of technical and political stakes. It served as a buffer to the Druze militias that have not accepted the growth of a Shiite neighborhood in proximity to their territory (p. 5).

Therefore, it is hard to believe that just ten years after that, particularly in 1996, the ‘antagonistic sentiments’ between the two groups disappeared, and was replaced by pure market forces that aimed to shape Sahra Choueifat as an industrial area. The ‘conflict over territory’ embedded within the rezoning process of Sahra Choueifat was confirmed through a discussion with a former high rank official of the municipality at that time. He explained to me briefly his point of view on the subject:

During my service at the municipality, I was against any residential permit in the Sahra Choueifat area, especially for people who are from a different religion [the Shiites]. Sahra Choueifat is not prepared to handle such a large-scale residential development. The buildings that were built there are not up to any building standards...The previous municipality members say that they gave permits to ensure financial resources for the municipality after the end of war [which is Mr. Y’s point of view]. However, I am not sure about the truthfulness of these claims, I tend to believe that the permits that were approved, ensured huge personal gains in side payments for the former cabinet.

Since 1996 and until recently, the zoning laws of Sahra Choueifat have been continuously in flux. This political struggle has been manifested by 8-10 zoning versions that have been submitted back and forth between the DGU and the municipality. The proposed zoning schemes varied from an area entirely designated for heavy owner-occupied industries (Zone O) to an area that is residential with light industries (Zone T’), sometimes even within a one year time span. For example, the map in figure 5-5a dated June 2000, shows the area as entirely industrial, while figure 5-5b, which dates back to April 2001 shows the area as

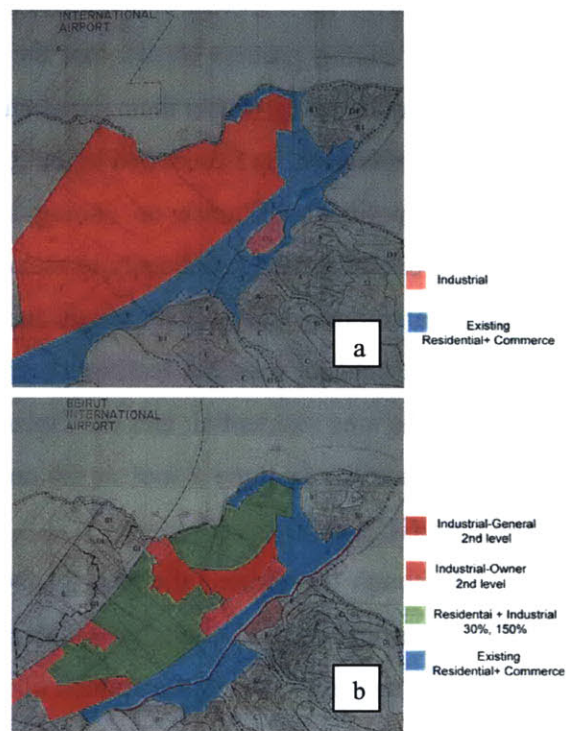


Fig 5-5: Sahra Choueifat in two of the zoning phases.

mostly residential.¹¹ This demonstrates that the variation between residential and industrial did not merely depend on technical input about the area, but more on political intervention.

Throughout the zoning revisions, the creation of a transition zone T between the Shiite informal settlement of Hayy el-Selloum and the Druze town of Choueifat was preserved. However, with time, zone T evolved from being just an area “frozen in time” which was conceived in the 1996 original rezoning scheme, to becoming a residential area with light industries in 2004.

iv. The Political Influence in the DGU

The main two official entities that revise the zoning laws in Lebanon are the DGU and the municipality, both of which are politically-influenced entities. The zoning maps are prepared by the DGU (or its consultants) and then are sent to the municipality for approval. Being in a centralized system, the DGU has the upper hand in deciding on the zoning laws, while the local municipality has only the right to give its opinion about the zoning schemes that the DGU prepares and send letters back asking for changes within one month (Fawaz, 1993). This law gives DGU much more power over the fate of the area.

This zoning process shows that the municipalities has little influence over the zoning proposals implemented within their jurisdictions. The DGU planning schemes are influenced by political mobilization, as manifested in the lobby’s success in rezoning the area as industrial for a while. The political influence on zoning is not particular to Choueifat or even to Lebanon. Political pressure to increase density to maximize profit, or to increase plot size to restrict access to land, is a common issue (DisPasquale and Wheaton 1996). What is particular to Choueifat is the religious conflict over the territory between two equally powerful war entities the Shiites, who want the area residential, and the Druze local residents, who want it industrial. Therefore, the zoning law has become a tool in the conflict, determined by the entities’ relative power in affecting DGU’s decision.

Although the Shiite influence on the Choueifat municipality is limited, Shiite political parties, in particular Hizb’Allah, have high political leverage in the centralized institutions of the state, including the DGU and the council of ministers, which ultimately approve the zoning laws. A local official said that Hizb’Allah officials followed up and pushed through the zoning of

¹¹ This is the same scheme that has been recently approved.

Sahra Choueifat at every stage of the process: from the zoning bureau at the DGU to the council of ministers, in order to make sure that the area would be zoned residential to allow for further expansion of *Al-Dahiya* to Sahra Choueifat.

The municipality's claims to rezone Sahra Choueifat as industrial were much stronger in 1996 than 2004. At that time, the municipality's interest was in line with the industrialists' interests, who were influential political figures, supported by the late Prime Minister Hariri. However, after the 1996 economic crisis, the industrialists' interest in zoning Sahra Choueifat as industrial declined, thus weakening the municipality's voice. The struggle remained unsettled between the Shiite political parties and the Choueifat municipality.

In November 2004, the Shiites political parties, in particular Hizb'Allah, 'won' the battle of zoning Sahra Choueifat. The area was finally zoned as residential with higher exploitation factor (and density) than before.

v. Sahra Choueifat as High Density Residential Area

During the second phase of my fieldwork in Sahra Choueifat, in December 2004 and January 2005, I found that the final law regarding the zoning of most of Sahra Choueifat as residential was approved, despite the obvious disagreement of the municipality. Two of the officials I met in the municipality linked the approval of the law with the incident of putting the mayor in jail for three months for no apparent charges. According to them, the municipality was deprived from its power, which gave the rival entities a primetime to pass a zoning law that rezoned half of Choueifat as residential with higher density than what was allowed in 1971, making investment in residential development more profitable.

The original law permitted a 20% surface exploitation and 80% built up area (i.e. on a 2500 m² plot, one could develop a 2000 m² built up area, with a surface area of 500 m²; i.e. 4 floors with an average of 3 apartments/floor). The new law permitted a 30% surface exploitation and 150% built up area (i.e. on a 2500 m² plot one can develop a 3750 m² built up area with a surface area of 750 m²; i.e. 5 floors with an average of 4-5 apartments/floor), around a 70% increase in the number of apartments. This increase gave incentive for more and smaller-size developers to invest in residential property in Sahra Choueifat, which was confirmed by Hajj H. who told me about the new law by saying, "finally developers can resume building affordable housing for low-income inhabitants."

This new law is against the will of most of original Choueifat residents, in particular the municipality, who has seen the high-density residential development in Sahra Choueifat as an open invite to the Shiite to build and settle in the Sahra Choueifat area.

It is important to note that based on the last zoning map, despite the fact that the current residential areas have been zoned residential rather than industrial, the complexes would be still surrounded by heavy industries from all sides, which can be expected to cause severe health and environmental problems for the residents in the long run.

b. Zoning Sahra Choueifat as Part of the National Image:

In justifying the negative attitude that the local officials and the residents of Sahra Choueifat have towards the residential development in Sahra Choueifat, the officials justify their actions by saying that the low-cost residential development near the airport is portraying Choueifat in specific, and the country in general with an ‘uncivilized’ image of unorganized dense poor residential neighborhoods. According to these officials, Sahra Choueifat is the first area that international visitors see as they approach the airport from the plane. An engineer from the area openly outlined the general concerns:

The municipality fears that the neighborhood as it is growing now projects an uncivilized image of Choueifat. The quality of the buildings as well as the quality of people is very low. When the plane goes down in Beirut International Airport, visitors do not see landmarks; they are greeted by unattractive low-income dense areas that give Lebanon bad image.

I heard this argument from every single person I interviewed in the municipality and the Choueifat area. By alluding to the fact that the growing image of Sahra Choueifat is disturbing for the international visitors, the Choueifat officials are trying to get wider political support by situating their ‘concern’ as a part of a broader national concern that haunts post-war Lebanon, a concern which focuses on attracting foreigners to invest in Lebanon.¹²

This discourse is in line with the traditional argument that governments give to justify eradicating informal settlements, areas which are considered to portray a negative image of the country for the international visitors, such as the large-scale squatters eviction projects that the government of Seoul carried prior to the Olympics in 1989 (UNHCR 1993). Moreover, such an

¹² Since 1992, the postwar reconstruction strategies and projects are focusing on attracting international visitors to invest and spend time in Lebanon, which will help boost the economy and reposition Beirut on the world map.

argument is consistent so far with the successive Lebanese governments' attitude in addressing informal settlements. This time the government's concern is what visitors see from the air before landing, and this concern is used to stop legal production of low-income spaces.

c. Zoning Repercussions

The new 2004 zoning law, which zones Sahra Choueifat as a high-density residential area, might be seen as a first step in attempting to mix religions, in what was a religiously-homogeneous area before. However, the unilateral process through which zoning was enforced by the DGU on the Choueifat area without the proper participation of the municipality, did not help to promote coexistence, but rather brought more hostility on part of the original residents, who felt marginalized and threatened by the Shiites mass relocation to their town.

Since there are not any proper strategies and programs for post-war reconciliation between the war opposing groups, such enforced changes in the demographics and spatial configuration reinforced fear of the other, and created a conflict over territory.

It encouraged the municipality to use the discretion and power it has in controlling local resources and distribution of services to discourage families from relocating to the area. On the other hand, the incoming families cannot change the situation via local representation, since they do not have the right to vote in the area.

V.2 Voting: The Case of Sahra Choueifat

a. Rules for Voting in Lebanon

In Lebanon, people vote for two cabinets: the deputy or parliamentary members once every five years, and for the municipality members every six years (a new law is proposed to decrease the municipality's period to five instead of six years). Voting for both cabinets is tied to the locality where one is registered, irrespective if s/he has been living there or not.

Individuals follow their family registration records (*sijill nfous*), which are tied to a locality, usually the place of origin of the family. The procedures to register individuals are

carried out by the *mukhtar*,¹³ who is the other official elected entity next to the municipality in a village.¹⁴ While the municipality is responsible for the service provision and maintaining the living environment for the residents, the *mukhtar* is responsible for maintaining and updating the personal profiles of the registered families within his/her jurisdiction. The *mukhtar* should know all the residents of his jurisdiction, and be well connected to the families he or she serves.

Individuals can change their registration locality by applying to transfer their registration records to another area where they prefer to be actively involved in the public decision making,¹⁵ or when they feel they do not identify with their area of origin. In order to be able to move the family registration record, the family needs a paper from the *mukhtar* and two witnesses who can prove that the family permanently lives in the area to which they intend to move their records.

Although this might seem like a possible procedure, it is not an easy to do in the politically and religiously sensitive geographic areas of Lebanon. The case becomes more complicated and sensitive when a 'large group' of people apply to change the place of their registration records, given that it will influence the religious composition in the destination area, a fact that lies at the core of the conflict over territory in Sahra Choueifat.

Most of the people who live in Beirut or its suburbs do not have the right to vote in the areas they live in, even if they have been living there since birth. According to Baalbacki (quoted in Aranout 1998), in the municipal elections of 1998 "around 40% of the residents of the Beirut southern suburbs were not eligible for voting in their area of residency" (p. 3). The residents of Sahra Choueifat have a similar case.

b. The Case of Sahra Choueifat:

Most of the Shiite war-displaced residents of Sahra Choueifat still have their family registration records back in the village, a situation that does not entitle them to vote for the municipality members in the Choueifat area. Although voting back in the village for deputy elections can determine their representation on the parliamentary level, the fact that they are not able to vote in their area of residency, in this case it is Sahra Choueifat, deprives them of the

¹³ For example, the *mukhtar* is the one who issues birth certificates, which will be the reference to register newborns in the family records. Larger municipalities, such as Choueifat, have more than one *mukhtar*.

¹⁴ This position is a remnant of the Ottoman governance system in Lebanon (Aranout 1998).

¹⁵ For example, when women get married, the registration records are added to the husband's family where they will be active members of public life.

right to take an active role in formulating or implementing local policies governing their neighborhoods and communities.

i. Local Representation for the Shiites

The current religious composition of the 18-member board of the Choueifat Municipality is as follows: 33% Christian, 61% Druze and 5% Sunni. Table 5-1 shows that the Shiite residents do not have any representation in the local government, since they are not original residents of Choueifat.

The current municipality officials seem to undermine this critical situation. In an interview with Mr. M, a municipal official, he commented that the residents of Sahra Choueifat do actually prefer to vote in their place of origin or village, since in the village they have a more effective voice in choosing their representatives, reinforced by the concentration of same-faith voters. “It is not in the interest of the residents to vote here, since families in Sahra Choueifat come from different areas of origin, so they would not agree on one candidate,” he said.

Religion of Representative	No. of Representatives
Christian	6
Druze	11
Sunni	1
Shiite	0

Table 5-1: The religious composition of the board members of the Choueifat Municipality

Contrary to the municipal officials’ claim, many families in Sahra Choueifat tried to move their votes to Choueifat before the last municipal election on 1998, prompted by the political parties, who are looking forward to have a say in Choueifat’s politics. Knowing that the Druze residents would not be happy to hear that the Shiite families are planning to have a voice in their local affairs, votes were transferred secretly by ‘convincing’ two of the *makhtiir*¹⁶ in Choueifat to register the families as voters in the area. According to one *mukhtar*, 1,400 applications were waiting for transfer; however only 350 made it before the local residents found out. The Druze intervened on high political levels to pressure the Shiite political parties to halt the process.

This event was treated like a scandal when discovered by Choueifat residents. According to few of the residents I interviewed, these two *makhatiir* have ‘betrayed’ the history of

¹⁶ *Makatiir* is the plural of *mukhta*. *Mukhtarain* is a more grammatically correct in Arabic referring for two persons, but was hard to use along with the number accordance with the English text.

Choueifat, with each *mukhtar* receiving \$300-\$400 per vote in side money. The large number of Shiite families who were trying to move their records was close to alter the results of the local elections and get Shiite members onto the municipal board.

According to Mr. N, an active Druze political party member, there are around 10,000 voters in Choueifat area, if the Shiites were able to register 600 votes or more; they would have enough votes to elect at least one Shiite municipal official. This would have redefined Choueifat as an area not only for the Druze and Christians, and the few Sunnis, but also for the Shiites. By moving their registration records, the families ensured that their children will be now registered in Choueifat, an action that will have a drastic change in the power structure of the town in the long-run, where a new generation of Shiites will be registered in Choueifat.

ii. Implications of the Lack of Local Representation

This incident manifests the huge tension that exists between the Shiite newcomers and the original Druze residents. The Shiite newcomers, with the help of political parties, are seeking to extend their territory, whereas the Druze residents are scared to be overruled by the Shiite. By keeping the Shiite out of the municipality, the Druze would remain in full local power with respect to local policies, expenditure, and services, and will have the ultimate power in shaping the development of Sahra Choueifat.

The current lack of local representation of the Sahra Choueifat residents, in addition to the fact that most residents of Sahra Choueifat do not pay municipal fees, reinforces the political parties' critical role in providing services for the residents, partly through exchange of favors with the municipality. According to Mr. M, Hizb'Allah officials are constantly visiting the Choueifat municipality asking for garbage collection, streetlights, pavements, telephone booths, and infrastructure for the Sahra Choueifat area. This fact draws a parallel between the mechanisms used to improve the living conditions of the 'legal' Sahra Choueifat and the neighboring 'illegal' Hayy el-Selloum.

V.3. Municipal Fees in a Contentious Space

The different attempts at the industrial re-zoning of Sahra Choueifat have shown the hostility of the local government towards the Shiite residents. However, legally, the municipality

actions may be justified. In general, any household living within the jurisdiction of a municipality in Lebanon, should pay each year an amount equal to the 'rental value' of their apartments, which depends on the size of the apartment and the location, in addition to monthly payments for services, called 'cleaning' and 'safety'. However, 90% of the families I interviewed in Sahra Choueifat have not paid any municipal fees or taxes since they moved to Sahra Choueifat 8-10 years ago. This situation can be attributed to three conditions.

First, most of the current inhabitants of Sahra Choueifat residents were previously squatting in the war-abandoned buildings in Beirut Central District and the green line, where they did not have to pay for any services or rent for 20 years. Access to services was ensured by the militias or the political parties. Now that they live legally in residential apartments, they are not ready to take the responsibility of full residency in the city, part of which entails paying for the services one uses.

Second, most families have bought their apartments by signing a "surveyed purchase contract" with the developer, a contract that gives the residents a 10-year grace period, after which they are obliged to register their apartments.¹⁷ In the process of registration, people have to pay everything they owe the municipality. Before that, people are expected to pay as soon as they move in the neighborhood; however, there is no enforcement mechanism.¹⁸ Left on their willingness to pay on their own, many Shiite residents are not convinced that they should pay fees to the Druze-managed municipality since they cannot guarantee that they will receive services in return due to the hostility between the two groups.¹⁹ Residents prefer to pay the political parties to install the services, as discussed earlier.

Third, the inhabitants living in complexes in which the developers defaulted on finishing the apartment do not even own their apartments. Their problems seem unsolvable and are not

¹⁷ In Arabic it is referred to *asaa'kid bayiaa' mamsouh*. This contract might be an indication of the good will of the government, who wants to elevate the burden of registration and yearly fees for ten years after spending large sums to buy the apartments. However, it is currently having severe repercussions on the housing market of Sahra Choueifat: (1) Most residents cannot afford the \$3000 needed to register the apartment and fear that they are going to lose the apartments. (2) The case is more severe with residents who have bad relationship with the developer and do not trust keeping a 10-year contract with him, which is not the case with the AA developers. (3) The law suggests that banks and loaning agencies should treat the "surveyed buying contract" as a title deed, which allows the people to use it to get mortgage. However, the banks refuse it as a legal paper. Actually, I called several of the private banks to help a woman in trying to get a loan to register her apartment; officials told me that they could only allow her to apply if she had a title deed, creating a vicious cycle

¹⁸ Except when a family needs official papers from the municipality.

¹⁹ Residents only pay their electricity bills to the Electricite' du Liban, a centralized public agency, which had put compliance conditions on Sahra Choueifat residents in exchange for giving them legal supply lines.

being tackled by any public institution in attempt to find a resolution. Therefore, these residents also do not have the incentive to pay money to the municipality.

The people's ability not to pay the services for the local government and still get their basic services from the government stems from the backing of the local active political parties, who help the residents get the services they want without having to pay to the municipality. Therefore, the relationship between the residents and the local government has been always been mediated and negotiated by the political parties. Services for the areas have been, in most cases, achieved through exchange of favors between the two groups, rather than through representation, responsibility, and governance.

The fact that most residents of the Sahra Choueifat neighborhood do not pay for services presents financial barriers for the neighborhood development. The municipality needs capital to provide adequate services. However, most of the revenues of the municipality come from the municipal fees which the residents are not paying. Sahra Choueifat is not unique in this case since many households in Lebanon do not pay their municipal taxes, a situation explained by Aranout (1998):

“[T]he tax on rental value is the major source of local revenues for municipalities...[T]he inability of a large section of the population to pay their municipal taxes is making the task of enhancing local revenues difficult. Furthermore, fines imposed on overdue payments are not collected and municipalities do not have the authority to efficiently sanction defaulters” (p. 5).

What is problematic in the case of Sahra Choueifat is that the fees become the reason, one of the legal tools, which the local government uses to refrain from giving people adequate services, reinforcing conflict over territory. The poor services that the residents have been living in for the past ten years have caused many families health and financial losses. As a result, many of the residents are putting their apartments on sale and leaving Sahra Choueifat, facing a new phase of forced displacement.

V.4 Impact of Conflict on Service Provision

Although the war-displaced settlers are legal residents now in Choueifat, the fact that they do pay municipal fees and taxes, in addition to the already hostile feelings between the local government and the residents of Sahra Choueifat, has influenced the level of services that the

area receives. In addition to the lack of infrastructure networks discussed before, in this section I will discuss two additional issues: wastewater problems, and transportation networks.

a. Wastewater Problems:

Choueifat developed historically on the top of the hill. There was not any residential development in Sahra Choueifat, which is the valley or the 'desert' of Choueifat. The area was not prepared to receive residential developments and had neither water nor sewage infrastructure in place. By helping in installing the infrastructure networks, the political parties had solved the problem of local sanitation. However, the area still suffers from the wastewater that floods the roads and open spaces every winter.

The wastewater problem is caused by the sewage pipelines coming from the upper level of Choueifat. Initially, these wastewater pipes went down untreated, where they were absorbed by the agricultural land in Sahra Choueifat. Now that the area became residential, the wastewater has been flooding the open spaces and the roads of neighborhood, especially during the winter. The most harmful wastewater problem for the neighborhood is caused by the Ghandour factory, a large-scale sweet factory that is located on the hill directly above the northern part of Sahra Choueifat (Fig. 5-6). The wastewater from the factory goes down the hill, and fills the open spaces²⁰ of the housing complexes, with up to 35-50 cm of wastewater several times every winter. The floods are causing damages to both the apartments and the businesses, especially those that are located on the first floor.



Fig 5-6: Ghandour Factory, the most famous sweet factory in the area, as seen from the edge of Sahra Choueifat's developments. Choueifat appears on the hill behind.

²⁰ A design workaround through which the developers have dig in the slope of the hill, in order to benefit from the building law to gain one additional underground-level. As a result, these public spaces that are created are lower in some cases than the road, which make them hold more of the floodwater, therefore causing more damage.

The wastewater that comes down from the factory is slippery, which has caused several injuries among the residents in the area. It is environmentally hazardous creating an inadequate environment for living. The smell of sweets and grease is unbearable causing many residents lung problems. Moreover, during the severe flooding days, the wastewater impedes children, who need to pass through the public space, from going to school. Moreover, the floods largely impact the local economy of the neighborhood, since all businesses located on the ground floor have to close for several days each time the neighborhood gets flooded (Fig. 5-7[6]).

The worst affected people are the families who live in first floor apartments, in particular in the AA complexes. In their case, every time the area gets flooded, the wastewater invades their houses (Fig. 5-7 [1]), causing them financial losses in terms of furniture and other physical assets. Many of the families who used to live in the 1st floor apartments had already sold their apartments for cheap and left. Others, who I met in August 2004, were in the process of searching for new apartments, in order to relocate.

In addition to the wastewater problem, several residents reported that the area gets flooded by the overflowing Choueifat water tanks that the municipality is responsible for filling. According to Mr. M, a storeowner in the YS complex, the water tanks that are located directly above the neighborhood have been intentionally overfilled several times. The excess water goes down the hill carrying all the soil from the adjacent agricultural fields, and ends up filling the roads and public spaces of Sahra Choueifat with dirt, transforming the neighborhood into a mud pond.

Both problems have attracted little if any attention from the municipality. People have been complaining to the municipality to help them solve the sewage and flooding problems, but all in vein. The municipality told me that they tried to solve the wastewater problem but were not successful (Fig. 5-7 [4]). Last year, Al-Manar TV, the Hizb'Allah media, presented a short news report about the situation of the neighborhood,²¹ but the situation has not improved yet. The woman (Fig. 5-7 [2]) who was interviewed in the report said “if the people who were suffering from this horrible living conditions were Christians, the pipe would have been fixed tomorrow, not in six years. Just because we are Shiite, we have to take this dirt.” Such a statement shows the geographic tension between the different religious factions, where some are more supported than others when it comes to pressuring the local government for services.

²¹ The Pictures in Fig. 5-7 are snapshots from the Al-Manar news report



Fig. 5-7: Sahra Choueifat during floods last winter. Courtesy of Al-Manar Broadcasting Network

This situation has been like this for six years. Although this form of pressure may not force all of the 500-600 households to move out of the area, however, it is causing many to sell their apartments for cheap and leave. The bad living conditions are exacerbating the hostility and mistrust between the residents and the municipality. Many residents said that if the problem was local, then Hizb'Allah would have taken good care of it, but with the wastewater problem they are under the mercy of the municipality.

b. Transportation Networks

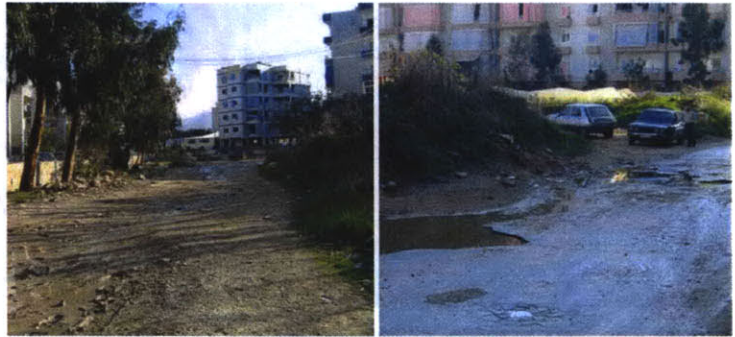


Fig 5-8: The roads in the neighborhood.

Another problem that the residents of Sahra Choueifat face is the lack of adequate road networks and public transportation. Currently, Sahra Choueifat is partially isolated from the adjacent towns. The road networks that connects the town of Choueifat's main road (Old Saida road) to Sahra Choueifat are neglected, with only remains of pavement (Fig 5-8). The residents said that the road was only partially paved in 1998, and the part that was paved has deteriorated by the erosion effect of the continuous running wastewater.

Sahra Choueifat is also not connected to public transportation. Although the area has been rapidly developing since 1994, people have to use private modes of commuting in and out of the neighborhood. Women are the worst to suffer from lack of transportation. Most women I interviewed said that they feel trapped in Sahra Choueifat, far away from the market²² and their friends in the southern suburbs. When they need to go out of the area, the residents have to either use the private van network, which they can only ride from the main Old Saida road, a 12-

²² Since the neighborhood is isolated, few shops have developed in the area, and the shops are much more expensive than what the residents can get from the Bourj or Hayy el-Selloum market, because of the inelastic demand. Younger women walk to the market of Hayy el-Selloum (a 25-minute walk) bringing produce for their neighbors as well.

minute up-the-hill walk, or take the *service*, a common Lebanese car-sharing private transportation system, which is not affordable to many. The service costs 4000-6000 LL round trip (around \$3-4/trip).

Moreover, war-displaced residents who lost their jobs and are rebuilding their livelihood from scratch are also suffering the most from the lack of public and cheap transportation in and out of Sahra Choueifat. Most families who owned businesses in the war-scarred areas lost them after eviction. Since opening a business in Sahra Choueifat would not be profitable due to the economical underdevelopment of the area, all head of households I interviewed were looking for or have found jobs in *Al-Dahiya* or *Al-Gharbieh* (West Beirut). According to them, the weekly or monthly income they obtain in their new jobs can barely sustain their daily commuting costs. Therefore, many families are selling their apartments and renting near to their new jobs.

In an interview with Zein and her husband Ali,²³ who were displaced from Khandak al-Ghamik, Ali said that with his new job, he was not able to sustain the everyday commuting costs for both himself and his wife. At that time, the couple was searching to rent or buy an apartment closer to *Al-Dahiya*. They had a “for sale” sign on their balcony (Fig. 5-10).

Most of the people that are selling their apartments and leaving to *Al-Dahiya* are getting impoverished. People who sold their apartments because of the floods could not sell their apartments for more than \$15,000, after they bought it 10 years ago for \$18,000.

On the other hand, Zein and Ali told me that they are putting their apartments on sale for \$25,000 but not for more. They think that \$25,000 is a very good price that will enable them to gain some money now that the low-cost apartments are in high demand. However, Fig. 5-9 shows that due to inflation, the families who bought their apartments for \$18,000 in 1994 should sell them at least for \$26,000 in order to gain some profit.

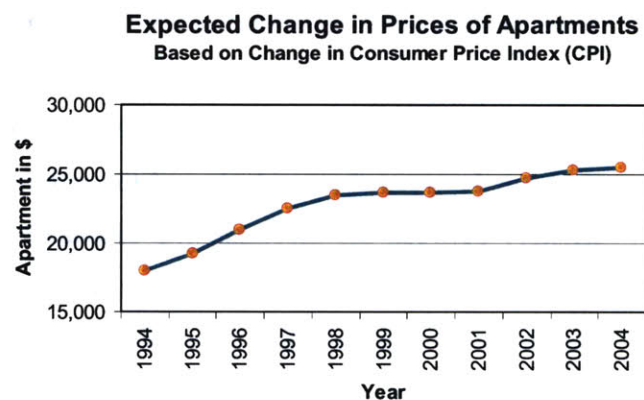


Fig 5-9: Change in price (1994-2004) due to inflation

²³ Interview with Zein and Ali in the open space of the AA housing complex on December 28, 2004.

Therefore, Zein and Ali, like many other residents of Sahra Choueifat have sold their apartment in Sahra Choueifat for less and left.

V.5 Conclusion

On April 19, 2005, an article appeared in An-Nahar newspaper entitled *A Fight between Hizb'Allah Members and Aramoun Police Resulted in Injuries and Involved Shooting*,²⁴ which discussed a fight that took place in Aramoun, an adjacent Druze area to Choueifat. The fight was between the town's municipal police and Hizb'Allah-affiliated residents, who live in one of the large-scale low-cost housing complexes, similar to the AA complex. The Shiite residents had been broadcasting religious hymns to the entire village for a year, which bothered many of the original Druze residents. The mayor, as quoted, described how the municipality has been giving the complex water and transportation and sanitation services as a favor for Hizb'Allah, despite the fact that the residents of the complex have not paid any municipal fees. The mayor pointed out that despite the fact that the municipality has been cooperative; the residents are still pursuing territorial practices that intend to bother the Druze residents. The mayor insists that hostile spatial practices should be stopped, and that the residents' should act as part of the community of Aramoun.

The story presented is striking in its similarity to the case of Sahra Choueifat. People who were war-displaced squatters have relocated to housing complexes in the suburbs, and formed religious enclaves. In reception areas, families do not pay municipal fees, they can not vote, they establish territorial claims, and they are controlled by political parties, who play the role of the mediator between the residents and the municipality. This story shows that the conflict over territory between the incoming war-displaced and the original residents of the suburbs is not confined to Sahra Choueifat. Such conflict over territory may exist in most areas along demarcation zones, to which the southern suburb can grow.

As long as the incoming population is not represented locally, the residents will fear to let go of the political party's protection in contentious areas. As a result, they will keep using the available venues of the political parties to obtain their basic needs, reinforcing the party's

²⁴ Translated from Arabic by Author

parallel governance structure and its role as an intermediary between the residents and the local government; therefore impeding any probable reconciliation between the two groups.

Without a proper reconciliation strategy in place that will try to spread coexistence, the mass movement of war-displaced Shiites to religious enclaves in the adjacent suburbs is causing recurrent conflict over territory, worsened by the prevailing spatial/religious practices, only to additionally contribute to the hostility between the original residents and the new comers.

Zoning, voting, and services become the tools that local governments use to discourage other rival groups to live within their territory. The precarious living conditions of the war-displaced families caused by this inter-confessional conflict has instigated many to sell their apartments for cheap and leave to less contested area- areas that are religiously homogenous, initiating a third phase of displacement (Fig 5-11).

However, moving to Shiite homogenous areas does not ensure that the people's life in displacement has come to an end. Many families have moved from Sahra Choueifat to the informal settlements, such as Hayy el-Selloum and Ouzaii. However, such areas have been threatened as well by eviction through public projects, such as the planned highways that cut through Hayy el-Selloum, and the large-scale urban renewal Elyssar project that clears Ouzaii. Therefore, by relocating to these areas, war-displaced families might face another phase of displacement.

This study suggests that as soon as a low-income population is forcefully displaced, it might lead an ongoing life in displacement. Without proper aid to access decent housing, the people are forced, at each stage, to relocate to uncertain and contentious areas, which force them to move yet again. Amidst the city's population, the continuous displacement of these people may go unnoticed: a serious issue that needs further research.



Fig. 5-10: A 'for sale' sign on one of the apartments in the AA complex.

Chapter VI: Conclusions and Recommendations

Lebanese urban space has long been divided along religious lines. This study shows how the post-war compensation given to war-displaced households reinforced urban religious segregation, facilitated the formation of new religious enclaves, and exacerbated the hostility between rival groups at the neighborhood level. In Sahra Choueifat, the suburb described here, opposing groups are now using 'legal' tools to define their space and exclude others. It is only one example of many. Other suburbs, including Chiyyah, Kfarchima, Kafaat, Yahoudiyyah, and Aramoun, have experienced similar conflict over territory.

At the onset of post-war reconstruction in 1992, several Lebanese scholars signaled that it was critical for the Lebanese government to relocate the war-displaced squatters living in Beirut's war-scarred areas, in a way that would avoid exacerbating existing conflicts and creating new spatial ones (Yahya, 1992). In 2004, while studying housing vacancy rates in the housing market of Sahra Choueifat, I found religious enclaves of evicted war-displaced squatters forming in the southern suburbs along the war demarcation line. These enclaves are now inducing conflict with the original residents of the area.

This thesis has analyzed access to low-income housing for a group of Lebanese Shiites who have had to cope with three phases of internal displacement: from South Lebanon to Beirut during the civil war (1975-1990); from Beirut Central District and the green line to Sahra Choueifat due to postwar reconstruction (1992-present); and currently from Sahra Choueifat to Shiite-dominated areas. The study presents a comprehensive analysis of the factors that have affected the displacement and relocation processes in the second phase of displacement by focusing on three main issues: (1) the monetary compensation that the war-displaced squatters received which helped them change their status from squatters to legal residents of Beirut; (2) the intervention of the Shiite political parties in the housing market, which channeled relocation to areas such as Sahra Choueifat and (3) the conflict over territory in Sahra Choueifat that the relocation spurred -- between the incoming Shiite group and the original Druze residents. This

conflict over territory has been manifested into conflicts over zoning, voting and services, which are causing many families to sell their apartments and leave, therefore, undergoing a third phase of displacement.

VI.1 Main Findings

First, in Lebanon, monetary compensation for war-displaced residents gave the people the means to change their illegal status in the city and to acquire legal housing. This finding is not consistent with most of the literature on compensation, which focuses on the inadequacy of monetary compensation payments for evicted low-income populations. In the case of Lebanon, governmental-led relocation projects, or in-kind compensation, might have positioned the people in sites farther from the city. Instead, the monetary compensation enabled the Shiite war-displaced people to secure a formal shelter close enough to the city before they faced eviction and allowed them to locate near relatives, friends, and war neighbors.

This study suggests that in a post-conflict setting such as Beirut the conditions under which the monetary compensation is given are more crucial than the amount of the compensation. For example in Sahra Choueifat, the uncertainty about the amount and timing of compensation led the political parties to take control of the process, channeling people to contentious areas, within an urban political growth plan. After first moving to contentious areas, residents are now relocating to more homogenous areas, which are further contributing to the religious urban division that characterizes Beirut's landscape.

Second, most studies on housing markets in the developing cities neglect vacancy rates as an important aspect in the analysis of these markets (Malpezzi, 1990; Malpezzi, 1999). In this study, I discovered that much of the vacancy in the low-income housing market of Sahra Choueifat was a response to uncertainty. It resulted from poor people's inclination to secure shelter amidst the sudden and uncertain process of eviction from war-scarred areas; it was possible because they knew that they would eventually receive monetary compensation when evicted. Although this finding only pertains to a small portion of Beirut's housing market, it uncovers an alternate explanation for vacant apartments in other cities. That is, vacant units may reflect insurance in the face of uncertainty about housing policy or the market. Moreover,

vacancy rates can be a significant indicator of housing policy failure, rather than a market failure. Part of the vacancy in Sahra Choueifat was due to the interface between monetary compensation policies and rent regulations. Vacancy had adverse effects on war-displaced families who tied-up their capital in apartments they could not utilize. Until they received compensation, families could neither relocate to the apartments, nor could they lease them. Families could not risk leasing their apartments for three years (the length of a rent contract) while they were uncertain about the time they would be evicted, which could be anywhere from one month to three years.

Third, political interference in the property markets is seen by many as deterring to the proper functioning of the market. Yet, on the micro-scale of Sahra Choueifat, I found that displaced families who bought apartments built by politically-affiliated developers were able to have secure tenure rights and better quality apartments compared to families who bought from private market-driven developers. However, the political parties' intervention coupled with monetary compensation and weak institutions helped reinforce the formation of religious enclaves and spur conflict over territory in Sahra Choueifat.

The success of the political parties in securing access to housing for the low-income population in Beirut can be attributed to the parallel governance and comprehensive services programs the parties established during and after the war, which provided both developers and residents with financial, legal, and infrastructure services. However, their continuous mediation between the residents and the local government is impeding coexistence on the local level.

VI.2 Lessons for Areas in Conflict

The study of the Beirut case presents three main issues that suggest lessons for other post-war conflict areas and point to areas that need further research. The three issues are: (a) the role of political parties (or more generally, the role of war factions in the post-war era), (b) compensation policies, and (c) decentralization in post-conflict areas.

a. Housing the Displaced: The Post-War Role of War Factions

The uncertainty that characterized the Lebanese post-war compensation process, with weak state institutions, created an opportunity for the political parties to have a strong hold on

both the compensation and the relocation processes. The study shows that such a prominent role for political parties in post-conflict areas creates a dilemma. On one hand, the political parties' intervention in the housing market has secured the low-income war-displaced people's access to adequate housing and services. On the other hand, their intervention contributed to the formation of political parties' controlled religious enclaves, spaces that have spurred religious conflict over territory, reminiscent of the war times. The dilemma lies in the fact that, when a state is weak, as it is in Lebanon, political parties can become the vehicle to secure adequate living conditions and channel resources to their poor clients, yet their strong presence in the post-conflict period may be impeding to urban coexistence.

The political parties' influence on coexistence can lessen only when the state takes a step toward initiating a strong comprehensive system of services, capable of responding to the needs of the low-income groups. This would include a financial, legal, and social system that could compete and outweigh the existing system of the political parties. Only then will citizens have the choice to deal directly with government rather than through a patron or mediator—in this case the political party. Such “competition” in service provision will be a first step towards breaking away from the intense grip and patronization of political parties towards a more healthy governance structure. To achieve this end, a market economy strategy such as the one pursued now in Lebanon may not be adequate. This is a fact demonstrated through the comparison between the two housing developments I studied, where the politically-supported AA complex was successful while the market-driven DB complex was failing. In the absence of state-provided services, the people will prefer to stay politically-affiliated to ensure a better quality of life.

However, such an approach may not be easy or feasible. The Lebanese government may not be capable of playing such an unbiased intermediary role as it is not independent of the conflicting factions and is itself influenced by and subjected to the interests of the war rival parties.

b. Compensation in a Conflict Zone

The case of monetary compensation in Beirut illustrates that if post-conflict compensation is not designed and implemented properly, it can exacerbate local level conflict in post-war areas. Therefore, in such areas the projected outcomes of displacement, compensation,

and relocation should step beyond analyzing their financial and social effects on individuals, households, and the displaced community. It should go beyond to include an analysis of the wide-scale impact on urban division lines, and the post-war regeneration of the cityscape. While division lines were reinforced by the strategies that characterized the uncertainty present in monetary compensation in Lebanon, other strategies could have provided a stronger base for coexistence.

c. Decentralization in a Conflict Zone

Decentralization reforms have become an increasingly common strategy for improving the performance of institutions and service delivery in developing countries. However, this study calls for reassessing the virtues of decentralization in post-conflict areas, especially in cases where local governments are not representative of all the residents living within their jurisdiction. Recommending the intervention of central government in local affairs may sound counterintuitive, when institutional reforms have been moving toward greater decentralization in most countries. However, as this study shows, post-conflict areas may present a special case, one where decentralization may intensify divisions among rival groups.

In such areas, the role given to the local institutions becomes critical. A prominent role for the local government, without rectifying the local representation laws, gives the group in control of local resources legal tools that can be used to discriminate against rival groups. In Sahra Choueifat, the municipality used zoning, voting, and service provision to discourage the incoming Shiites from locating there. In order to prevent this from happening a third party needs to intervene such as NGOs, international aid agencies, or the state. NGOs and international aid agencies may establish services and aid programs in the immediate aftermath of war or displacement. However, establishing the role of the state in post-conflict areas is critical to national stability. My study shows that the state can play a crucial role as an intermediary between the local government and the incoming populations, where it can act to establish trust, coordination, and representation across divided ethnic and religious groups.

For example, state provision of infrastructure in Sahra Choueifat could mitigate the power struggle between the two conflicting groups. Such a project can be pursued by the Council for Development and Reconstruction (CDR), which had already installed infrastructure in Hayy el-Selloum, the adjacent informal settlement. Service provision would prevent residents from

having to rely on religious political parties as mediators and would instead hold the state directly accountable for the provision of their services. The state would then not only be diminishing the strength of religious enclaves, but would also ensure a more livable environment for the residents, remove their financial burdens from investing in their own infrastructure networks, and minimize the discretion the local government has in service provision. On the other hand, centralization is not necessarily a solution. For example, in Sahra Choueifat, the zoning laws enforced recently by the Directorate General of Urbanism on the local government exacerbated the local-level hostility already charged with feelings of marginalization and fear of the other. This study shows that the governance structure suitable for post-conflict areas needs further research.

VI.2 Policy Lessons for Beirut

a. The Housing Market

Only those developers that were financially supported by the political parties were able to provide low-income war-displaced families with decent housing and secure tenure rights. Developers who were market-driven left the buildings unfinished and the residents without title. As it is now, the government's failure to support or subsidize affordable housing makes the availability of successful low-cost housing completely dependent on the willingness of philanthropic and 'concerned' developers to build them.

The success of the politically-supported developers indicates that if similar successful secular low-cost housing schemes are to be undertaken the state has to intervene, either through providing financial incentives to affordable housing developers, or by providing cheap public land for developers; perhaps if the existing political parties-private partnerships are replaced by public-private partnerships they might attract families from all religious backgrounds.

In addition to the support for the developers discussed above, the state should promote housing microfinance programs that allow households in the lowest income bracket, who do not have the stable jobs and/or the title deeds¹ necessary to obtain credits from private banks, to have

¹ Although the surveyed purchase contract is a legal contract that the private banks do not recognize as an adequate security for mortgage. They prefer to give loans to people holding full title deeds.

the opportunity to acquire housing. Moreover, the state should consider phasing the registration fees into smaller amounts that the low-income households can afford to pay in order to attain proper title deeds. When the residents register their title deeds, they would have to pay their municipal fees, which would diminish the hostility between them and the municipality, which currently considers them illegal residents. By paying their fees, the municipality will not have a reason for not providing them with adequate services.

b. Southern Suburbs Urban Growth

With the eviction of the war-displaced squatters, and the growth in population, it is important to realize that the overpopulated southern Shiite suburbs are going to extend to other adjacent areas. Due to the existing post-war social geography, the extension of the Shiite areas will be pockets in contentious territories of the Druze and the Christians. The power struggle, as we saw in Sahra Choueifat, includes conflicts over voting, zoning services, municipal fees, and land. In the end, the new residents are paying the price and are facing displacement for the third time.

c. Local Representation and the Voting Law

Most of the problems relating to access to housing and services discussed in this thesis are partly due to the lack of proper local representation in Lebanon. Achieving local representation of all residents within a jurisdiction, especially in Beirut and its suburbs, is a highly contentious political issue, one that requires a basic restructuring of the political voting system in Lebanon. However, it is important to recognize the positive outcome that local electoral representation can have on improving the living conditions of the low-income people in these areas. Perhaps local electoral representation will be the first step for residents to by-pass the reliance on the services of political parties, and alleviate the stigma of being the 'other' in one's area of residence.

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